



SHL/SEC/45<sup>th</sup> AGM/2019

September 03, 2019

The Bombay Stock Exchange Limited  
Listing Department,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers, Dalal Street, Fort  
Mumbai – 400 001.

Company Code: 537253

Dear Sir,

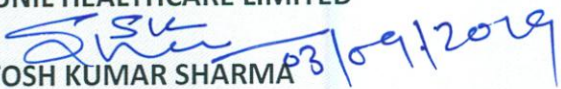
Sub. : Submission of Annual Report pursuant to Regulation 34 (1).

Please find enclosed Annual Report of the 45<sup>th</sup> Annual General Meeting of the Company, which is scheduled to be held on Friday September 27, 2019 at 3:00p.m. onward at Shri Ram Hall, 1<sup>st</sup> floor PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016, in terms of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for your record and reference.

Thanking you,

Yours sincerely,

for SUNIL HEALTHCARE LIMITED

  
SANTOSH KUMAR SHARMA  
COMPANY SECRETARY & COMPLIANCE OFFICER  
F-6817  
New Delhi

CC: The Calcutta Stock Exchange Limited  
7, Lyons Range  
Kolkata- 700 001.

Encl.: As above.

Sunil Healthcare Limited

Vijay Tower, 38E/252 - A, Shahpur Jat, Panchsheel Park Commercial Complex, New Delhi-110049

T: +91 11 49435555/00 F: +91 11 43850087 E-mail: info@sunilhealthcare.com Web.: www.sunilhealthcare.com

CIN No.: L24302DL1973PLC189662

# **45<sup>th</sup> ANNUAL REPORT 2018-19**



## **SUNIL HEALTHCARE LIMITED**

**(A WHO-GMP Certified Company)**

**Reg. Office: 38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049**

**CIN No: L24302DL1973PLC189662**

**Tel No: +91-11-49435555/00 Fax no - 01143850087**

**Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) | Web: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)**



## SUNIL HEALTHCARE LIMITED

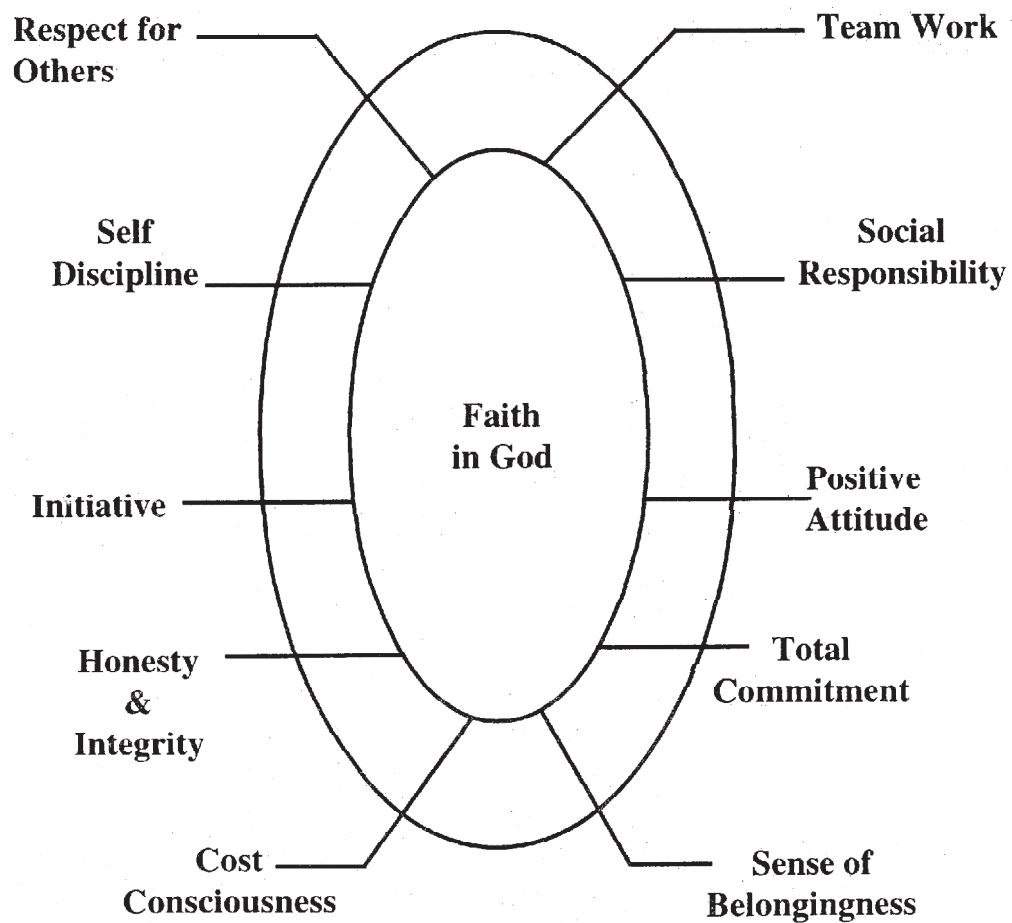
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<b>Web:</b> www.alankit.com,		
<b>Email Id:</b> info@alankit.com/lalitap@alankit.com/jksingla@alankit.com	Attendance Slip & Proxy Form	Enclose after Page No. 128



**Our beloved founder Chairman  
Shri S.N. Khaitan  
(1922-1999)**

**‘He Lives in the heart of tomorrow’**

# CORPORATE CULTURE





## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

Regd. Office: 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049

CIN-L24302DL1973PLC189662/Email:- info@sunilhealthcare.com/Webiste: www.sunilhealthcare.com

Tel:-+91-11-49435555/00, Fax; +91-11-43850087

### NOTICE

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 27<sup>th</sup> September, 2019 at 3.00 P.M. at Shri Ram Hall, First Floor, PHD Chamber of Commerce and Industry, PHD House, 4/2, SIRI Institutional Area, August Kranti Marg, New Delhi-110016, to transact the following special business:-

#### Ordinary Business

1. To receive, consider and adopt the Annual Financial Statements (Both Standalone and Consolidated) of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with report of the Board of Directors and Auditors' thereon, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT Audited Financial Statements (both standalone and consolidated) for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon have already been circulated to the members and produced at the meeting be and are hereby received, approved and adopted."
2. To approve retirement of Mrs. (Dr.) Lata Singh(DIN: 06947846), Non- Executive Director, who retires by rotation in the Annual General Meeting, and 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 152 of the Companies Act, 2013, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force retirement of Mrs. (Dr.) Lata Singh(DIN: 06947846), by rotation at this meeting be and is hereby approved with immediate effect."

#### Special Business

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Sanjay Kumar Kaushik (DIN: 00329013), who was appointed as an Independent Director of the Company for a term of five years up to September 26, 2019, by the members in the 40<sup>th</sup> Annual General Meeting held on September 27, 2014, in terms of Section 149 of the Companies Act, 2013, who is eligible for re-appointment and had submitted a declaration that he meets the criteria of Independence as provided in Act and the SEBI (LODR) Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from September 27, 2019 up to September 26, 2024, not liable to retire by rotation."
4. 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 provision of Section 149, 152 and 161 read with Schedule IV and all other applicable provision, if any, of the Companies Act, 2013 and the Companies (Appointment and qualification of Director) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Mr. Bejon Kumar Misra (DIN01015633), who was appointed by the Board as an Additional Director (Independent) of the company w.e.f August 14, 2019 ; and his terms of office will be up to the date of this Annual General Meeting of the company unless regularized by the shareholder, who had submitted a declaration that he meets the criteria of Independence as provided in Act and the SEBI (LODR) Regulations, 2015, be and is hereby appointed as an Independent Director, not liable to retire by rotation of the Company to hold office for a term of 5(Five) consecutive years up to August 13, 2024."

#### On behalf of the Board

For SUNIL HEALTH CARE LIMITED

sd/-

**SANTOSH KUMAR SHARMA**

COMPANY SECRETARY & COMPLIANCE OFFICER

FCS - 6817

Place – New Delhi

Dated - August 14, 2019

Email: cs@sunilhealthcare.com

Contact No. 011 - 49435541

Reg. Office:

38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049

CIN No: L24302DL1973PLC189662

Phone No: +91 - 11 - 49435555/00 Fax no 011 - 43850087

Email ID: info@sunilhealthcare.com

Web; www.sunilhealthcare.com



Notes

1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM), IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. IN ORDER TO BE VALID, THE DULY SIGNED AND COMPLETED PROXY MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.
2. ACCORDING TO SECTION 105 OF THE COMPANIES ACT-2013, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act 2013 are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, RELATING TO THE SPECIAL BUSINESS AT ITEM NOS. 03 TO 04 TO BE TRANSACTED AT THE MEETING IS ANNEXED HERETO AND FORMS PART OF THE NOTICE OF AGM.
5. The Members who hold shares in the physical form and wish to make/change in nomination in respect of their shareholding in the Company, as permitted pursuant to the provisions of Section 72 of the Companies Act, 2013, may do so by submitting to the Company the prescribed Form SH-13 duly filled in to Company's Registrar and Share Transfer Agent.
6. The Register of Members and Share Transfer Books of the Company will remain close from Friday, 20.09.2019 to Friday 27.09.2019 (both days inclusive).
7. Brief resume of Mr. Sanjay Kumar Kaushik and Mr. Bejon Misra, who is proposed to be re- appointed/ appointed as Independent Director (s), the nature of their expertise in specific functional areas, names of companies in which they hold directorships and membership(s) / chairmanship(s) of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 (3) SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, are provided in this report as Annexure 1 to the notice.
8. The Members are requested to bring their attendance slip along with their copy of Notice to the meeting. The Members holding shares in dematerialized form to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
9. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Relevant documents referred to in the accompanying Notice and the Statement, statutory Registers as required to be maintained by the company are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, between 11:30 a.m. to 3:00 p.m. up to the date of the Meeting.
11. Members, who are holding shares in identical orders of names in more than one folio, are requested to write to the Company's Share Transfer Agents M/s Alankit Assignment Limited at "3E/7, Alankit Heights, Jhandewalan Extension, New Delhi 110055 for consolidation into one folio.
12. The Members are requested to notify immediately any change of address:
  - i) To their Depository Participants (DPs) in respect of their electronic share accounts and
  - ii) To the Company's Registrar, M/s Alankit Assignment Limited at "3E/7, Alankit Heights, Jhandewalan Extension, New Delhi 110055, Contact no. 91-11-4254 1234 email id: [rta@alankit.com](mailto:rta@alankit.com), [lalit@alankit.com](mailto:lalit@alankit.com), in respect of their physical share folios, if any, quoting their folio number. Further the queries related to the shares may be raised to RTA.
13. Members holding shares in physical form are requested to furnish their email id by post or by email to [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com)/[info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) along with their folio no for sending necessary communication / information in future. The members holding shares in electronic form may get their email id's updated with their respective Depository Participants.
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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s Alankit Assignment Limited.
15. (i) Pursuant to section 101, 108 and 136 of the Companies Act, 2013 read with relevant rules made thereunder, the company will serve notice of Annual General Meeting, Annual Report and other communications through electronic mode to those members who have registered their email address with the Company or with the Depository unless a Member has requested for a physical copy of the same. Physical copies of Notice of AGM are being sent by the permitted mode to those Members who have not registered their E-mail

IDs.

- (ii) A Route Map showing the directions to reach the venue of the Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on 'General Meeting.
- 16. (i) Members may also note that the Notice of Annual General Meeting alongwith Annual Report for Financial year 2018-19 of the Company will also be available on the Company's website [www.sunilhealthcare.com](http://www.sunilhealthcare.com).
- (ii) In compliance with the provisions of Section 129(6) of the Companies Act, 2013, (Act) the Audited Financial Statements of the Company includes the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the members of the Company.
- 17. Pursuant to the provisions of the Section 124 and 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting, audit, Transfer and Refund), Rule, 2016 ("The Rules") are required to be transferred by the Company to Investor Education & Protection fund (The IEPF) established by the Central Government after the completion of seven years. Further according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years shall also be transferred to the demat account created by the IEPF Authority. However, the company did not declare dividend after 2008-09. The Company has transferred the unpaid or unclaimed dividend for the financial year 1999-2000 to 2008-09 as per the relevant provision of the Companies Act 2013. Thereafter, The Company did not declare any dividends.  
Further, those shareholders, whose dividends were transferred in IEPF Account may still claim refund by filing refund application in form IEPF-5, after filing form printout of the same to be submitted alongwith indemnity bond, acknowledgment, self-attested form alongwith other necessary documents as mentioned in detailed procedures for claiming refund at IEPF portal <http://www.iepf.gov.in/IEPFA/refund.html>, for verification purpose to the Mr. Santosh Kumar Sharma, Company Secretary, The Nodal Officer, Vijay Tower, 38E/252-A, Shahpur Jat, Panchsheel Park Commercial Complex, New Delhi-110049, contact no. 011-49435555.
- 18. Non-Resident Indian Members are requested to inform our RTAM/s. Alankit Assignment Limited, immediately of:
  - I. Change in their residential status on return to India for permanent settlement.
  - II. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnish earlier.
- 19. The Members are requested to note that pursuant to directions given by SEBI/Stock Exchanges, the Company has appointed M/s M/s Alankit Assignment Limited at "3E/7, Alankit Heights, Jhandewalan Extension, New Delhi 110055, Contact no. 91-11-4254 1234 email id: [rta@alankit.com](mailto:rta@alankit.com), [lalit@alankit.com](mailto:lalit@alankit.com), as Registrar and Transfer Agent to look after the work related to shares held in physical as well as demat mode.
- 20. Pursuant to the directions of the Securities and Exchange Board of India (SEBI), from April 01, 2019 no transfer of shares in physical mode is allowed and trading in the shares of your Company is in compulsory dematerialized form. The Members, who have not, yet got their shares dematerialized are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Share Transfer Agent of the Company. The promoters of the Company have already converted their 100% physical shareholding into demat form.
- 21. The Members desirous of getting any information/clarification relating to the any of business mentioned in notice of the AGM of the Company or intending to raise any query at AGM are requested to write to the Company Secretary at least Seven days before the Meeting so that the information required can be made readily available at the AGM.
- 22. Voting through electronic means:
  - a. In compliance with provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification (s) or re-enactment thereof for the time being in force) and provision of Regulation 44 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 45<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - b. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e voting shall be able to exercise their right at the meeting through ballot paper.
  - c. The members who have cast their vote by remote e- voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - d. The remote e-voting period will commence at 9:00 A.M. on Tuesday, the 24<sup>th</sup> September, 2019 and will end at 5:00 P.M. on Thursday, the 26<sup>th</sup> September, 2019. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Friday, the 20<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.





## SUNIL HEALTHCARE LIMITED

- e. The instructions for e-voting: The instructions for e-voting are as under in question & Answer format for ease of convenience of our shareholders, which are under:

### **Q. How to Vote electronically using NSDL e-Voting system?**

Ans. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

### **Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN30 0*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number (Remote E-Voting Event Number ) followed by Folio Number registered with the company For example EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat



## SUNIL HEALTHCARE LIMITED

account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" (E-Voting Event Number) of SUNIL HEALTHCARE LIMITED to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to at [cstarachand@gmail.com](mailto:cstarachand@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - f. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of 20th September, 2019.
  - g. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990
  - h. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting /voting at the Annual General Meeting through ballot paper.
  - i. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - j. Mr. Tara Chand Sharma, Practicing Company Secretary (Membership No.5749 and CP no is 4078) has been appointed as the Scrutinizer to scrutinize the e-voting and remote E voting process in a fair and transparent manner.
  - k. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistances of Scrutinizer, by use of ballot paper for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e voting facility.
  - l. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unlock the votes cast through remote e voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting.
  - m. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and on the website of NSDL immediately after the declaration of result by the chairman or a person authorised by him in writing. The result shall also be immediately uploaded at website of the BSE Limited and shall be forwarded to the Calcutta Stock Exchange Limited.
  - n. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of AGM i.e. 27th September, 2019.
23. Member holding Equity shares in electronic form, and Proxies thereof, are requested to bring a documentary proof of their DP ID and Client ID for Identification.



## SUNIL HEALTHCARE LIMITED

### Explanatory Statement Pursuant To Section 102 (1) of the Companies Act, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated August 14, 2019.

#### Item No. 03

Mr. Sanjay Kumar Kaushik (DIN: 00329013) was appointed as a Director on the Board of the Company on June 03, 2003. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 40th Annual General Meeting held on September 27, 2014 approved the appointment of Mr. Sanjay Kumar Kaushik as an Independent Director of the Company for a period of 5 years up to September 26, 2019. As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. The Company has received intimation in Form DIR-8 from Mr. Sanjay Kumar Kaushik that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

Brief resume and disclosure of information of Mr. Sanjay Kumar Kaushik (DIN: 00183128), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standard - 2 on General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government are given in the **Annexure 1** to the Notice.

The resolution seeks the approval of members for the re-appointment of Mr. Sanjay Kumar Kaushik as an Independent Director of the Company commencing from September 27, 2019 up to September 26, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation. In the opinion of the Board, Mr. Sanjay Kumar Kaushik fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Sanjay Kumar Kaushik, the Board of Directors at its meeting held on August 14, 2019 recommends the continuance of office of Mr. Sanjay Kumar Kaushik as Independent Director, not liable to retire by rotation, for the approval of the members of the company.

None of the other Directors and Key Management Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 3.

#### Item No. 04

Mr. Bejon Kumar Misra, who was appointed by the Board of Directors as an Additional Director (Independent) of the company w.e.f August 14, 2019; and whose term of appointment will expire in this Annual General Meeting in terms of provision of Section 161 of the Companies Act, 2013 unless his appointment is regularized as Director (Independent), not liable to retire by rotation

He is not disqualified from being appointed as Non-Directors in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Non-Executive Director, liable to retire by rotation.

In the opinion of the Board and as recommended by the Nomination Remuneration Committee in their meeting held on February 14, 2019 Mr. Bejon Kumar Misra (DIN:01015633), fulfils the conditions for appointment as Independent Director specified in the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief resume and disclosure of information of Mr. Bejon Kumar Misra (DIN:01015633), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standard - 2 on General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government are given in the **Annexure 1** to the Notice.

The letter for appointment of Mr. Bejon Kumar Misra (DIN:01015633) as Additional Director (Independent) setting out the terms and conditions would be available for inspection by members at the Registered Office of the Company and is also available on the Company's website at [www.sunilhealthcare.com](http://www.sunilhealthcare.com).

The appointment of Mr. Bejon Kumar Misra as Independent Director and his association with Company would be of immense benefit to the Company as he had more than 45 years Professional experience in Business Management, Consumer affairs, Quality control and always available for cause of the consumers at large. Accordingly, the Board recommends the resolutions in relation to appointment of Mr. Bejon Kumar Misra as Independent Director, Not liable to retire by rotation, for the approval of the members of the company.

Mr. Bejon Kumar Misra, Additional Director (Independent), is concerned or interested in the resolution as set out at Item No. 4 of the Notice, since it relate to his appointment.

None of the other Directors and Key Management Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

**Annexure to the Notice**
**ANNEXURE: 1**

Information on Directors recommended for appointment/re-appointment as Director under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Details required as per Secretarial Standard (SS2) as under:-

Name of Director	Mr. Sanjay Kumar Kaushik	Mr. Bejon Kumar Misra
DIN	00329013	01015633
Date of Birth /Age	01.01.1969/ 50 years	02.01.1951/68 years
Date of Appointment	Director:03.06.2003 Independent Director: 26.09.2014	14.08.2019
No. of share Held in the Company	Nil	Nil
Qualification	B. Com from Rajasthan University	Degree from Senior Cambridge Board and subsequently Degree in Business Management with Marketing as major from Banaras Hindu University (BHU) in the year 1971.
Brief Resume and Nature of Experience	Mr. Kausik has been working with Kaneeka Trimurti Minerals Pvt. Ltd. and Kaushik Chemicals and had more than 30 years of experience in field of antifungus lotion.	Mr. Mishra has more than 45 years of professional experience, starting from Kolkata as a Marketing Executive with TATA Steel in the year 1971 and subsequently became an entrepreneur in Jamshedpur in the Travel Industry & Leasing Business. At present Chairman of New Era Patient Friendly Hospital Pvt. Ltd. and Founder Director of Hamara Consumer Dost Private Limited.  At present Mr. Misra is Adviser/Consultant to Institute of Medical Sciences (IMS) BHU, Adviser to the Government of Odisha, Department of Food Supplies and Consumer Welfare (FS&CW), and Senior Advisor to the Alliance for Safe Online Pharmacies (ASOP) Global USA. Governing Board Member, Quality Council of India (QCI), Board Member, National Accreditation Board for Hospitals & Healthcare Providers (NABH), National Accreditation Board for Education and Training (NABET), Former Member of Food Safety and Standards Authority of India (FSSAI) from 2008-2013 and at present Member of the Central Advisory Committee (CAC) of FSSAI; Special Invitee on the Steering Committee of National Foundation of CSR (NFCSR), Ministry of Corporate Affairs, Government of India, Served as a member on several Expert Groups on framing Government Policies like the

		<p>Mashelkar Committee for Review of Drugs Regulatory System and Tandon Committee on the Scientific and Technological Measures to Counter Spurious and Sub-standard Drugs and Diagnostic Centres in India, Expert Committee Member to Address the Issue of Faulty ASR Hip Implants manufactured by M/s DePuy International Limited, UK, Government of India Committees on how to tackle the nexus between Diagnostics Centre - Pharmaceutical Companies and the Medical Practitioners- Hospitals, Inter-Ministerial Monitoring Committee on Misleading Advertisements, Expert Committee on Patient Safety Implementation Program, Expert Committee on the Implementation of the UN Guidelines on Consumer Protection in India, Member Pharmacovigilance and Haemovigilance Advisory Committees &amp; Member National Drug Survey Core Expert Committee, Advisory Board Member of Global Healer LLC, USA and Member of the Consumer Complaint Council (CCC) of the Advertising Standards Council of India (ASCI). Publisher and Chief Editor of THE AWARE CONSUMER, English Monthly Consumer Magazine published from Delhi and registered with RNI. An Honorary Member of the Managing Committee of the PHD Chamber of Commerce &amp; Industry and Chairman of the Consumer Affairs &amp; Public Health Committees. An Associate Member and Former Board Member of the International Alliance of Patients' Organizations (IAPO), which has official relationship with World Health Organisation (WHO).</p>
Directorships held in other public Companies [excluding foreign and private Companies]	1. Anil Special Steel Industries Limited.	Nil
Memberships / Chairmanships of Audit & Stakeholders Relationship Committees of other Public Companies	Nil	Nil
Inter-se relationship with other Directors	No relation with other Director.	No relation with other Director.
Terms & Condition of appointment or re-appointment along with detail of remuneration sought to be paid	<p>Re-appointment of Independent Director for term of 5 years with effect from 27.09.2019 to 26.09.2024.</p> <p>No remuneration will be paid except sitting fees.</p>	<p>Appointment as Independent Director for term of 5 years with effect from 14.08.2019 to 13.08.2024.</p> <p>No remuneration will be paid except sitting fees.</p>
Last Remuneration Drawn	Rs. 8500/- (Sitting Fees)	Rs. 8500/- (Sitting Fees)
No. of Board meeting attended during the year 2018-19	3 meetings out of 4 meeting held during FY 2018-19.	Nil

Note: No directors, Key Managerial Personnel's or their relatives are directly or indirectly concerned in the Resolution no. 3 proposing re-appointment of Mr. Sanjay Kumar Kaushik as Independent Director and resolution no. 4, proposing the appointment of Mr. Bejon Misra as Independent Director.

### Route Map of the Annual General Meeting

With reference to SS-2 for the easy convenience of recipients of notice, Route Map to the venue of Annual General Meeting of the Company is as under:

Venue of the meeting:- Shri Ram Hall, First Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, SIRI Institutional Area, August Kranti, Marg, New Delhi -110016

Landmark:- Near Shree Fort Auditorium

Route Map



### **On behalf of the Board**

For SUNIL HEALTH CARE LIMITED

**sd/-**

**SANTOSH KUMAR SHARMA**

COMPANY SECRETARY & COMPLIANCE OFFICER

FCS - 6817

Place – New Delhi

Dated - August 14, 2019

Email: [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com)

Contact No. 011 - 49435541

### **Reg. Office:**

38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049

CIN No: L24302DL1973PLC189662

Phone No: +91 - 11 - 49435555/00 Fax no 011 - 43850087

Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)

Web; [www.sunilhealthcare.com](http://www.sunilhealthcare.com)





## SUNIL HEALTHCARE LIMITED

### BOARD'S REPORT

#### TO THE MEMBERS OF SUNIL HEALTHCARE LIMITED

Your Directors have great pleasure in presenting the 45<sup>th</sup> Annual Report on the business and operations together with the audited financial statement of your Company for the year ended 31<sup>st</sup> March 2019.

#### FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2018 -19	2017 -18	2018 -19	2017 -18
Revenue from Operation	8124.100	9022.48	8119.60	9133.49
Other Income	74.33	200.13	3924.21	222.66
Total Revenue	8198.43	9222.61	8202.26	9356.15
Total Expenditure (Excluding Depreciations & Interest)	6927.91	7552.30	7044.27	7743.75
Profit before depreciation and Finance Cost	1270.52	1670.31	1157.99	1612.4
Finance Cost	671.60	503.05	671.60	503.05
Depreciation	573.89	478.25	574.03	478.26
Profit before tax	25.03	689.01	(87.64)	631.09
Less: - Tax Expenses Net	7.25	156.62	(18.48)	181.70
Profit after Tax	17.78	532.39	(69.16)	499.39
Earning Per Shares	0.17	5.19	(0.67)	4.38

#### COMPANY OVERVIEW AND STATE OF COMPANY'S AFFAIRS

The Directors of the Company are glad to inform you that your company is 2<sup>nd</sup> largest producer of Empty Hard Gelatin Capsules (EHGC) in India and Pioneer in double lock and triple lock technology for capsules in India. The Company had started production of HPMC Capsule in August 2018 and in short span of time the sales brought in from HPMC have led to better performance. The Company had also started production of Pullulan Capsules.

Your company also have Global Presence with Subsidiaries in USA and Mexico during the year. The company is WHO-GMP certified Company and has also been recognized as "Star Export House" by GOI. The management is optimistic about the future outlook of the company in short, medium and long-term.

Our plant is located at Alwar which is easily accessible by air, road and rail. Indira Gandhi International Airport is the nearest Airport located at a distance of 163 kms. It is also connected well by roads to some major cities of Rajasthan like Jaipur.

The Company deals in Business segment of Manufacturing Hard Gelatin Capsule Shells and the choice in nine size available are 00, 0SEL, 0EL, 0, 1, 2, 3, 4, 5. This segment the company has reached to installed capacity of 11952 million capsules at the existing facility. Our Presence in Over 30 Countries across the Globe. The management of the company Continued focus on achieving cost optimization and yield improvements through Economies of Scale. The company also renewed interest in the business with an aim to become top 3 manufacturers of Empty Hard Gelatin Capsules in world.

The Company has forayed into the Food Business. Sunloc food is a division of Sunil Healthcare Limited. Sunloc foods offer a host of product ranging from food products, procurement of raw and processed Edible Nuts e. g, cashew nuts, almonds, pistachios, walnuts etc. We have earned the reputation of providing excellent quality in all our products and high levels of value for money satisfaction and also strong customer's relationship. Sunloc foods is equipped to handle a variety of requirements and delivers straight to customers location anywhere in the world confirming to international quality standards.

#### Financial Performance:

During the F.Y. 2018-19 (standalone) the Company had reported Turnover of Rs. 8198.43 lakhs. Revenue from Operation is Rs. 8124.10 lakhs in 2018-19 against Rs. 9022.48 Lakhs in the F.Y. 2017-18. Revenue from operation was decreased by 9.95%, Profit before depreciation, Finance Cost decreased by 23.94%, Profit before Tax decreased by 96.37% and Profit after Tax decreased by 96.66 % as compared to financial year 2017-18.

During the F.Y. the Company had reported on a consolidated basis, the total revenue from the operation is Rs. 8119.60Lakh, Profit before depreciation and Finance Cost is Rs. 1157.99Lakh, Profit before tax is Rs. (87.64) and Profit after Tax is Rs (69.16)Lakh.

The Management of the Company is committed to improve the performance in the coming year to achieve better production, sales and profit by using the optimum product mix and explore new avenue to achieve overall growth of the Company. Further there is no change in the nature of the business of the company.

**FOREIGN WHOLLY OWNED SUBSIDIARY AND SUBSIDIARY OF THE COMPANY**

During the year the company had Wholly Owned Subsidiary namely "Sunil Healthcare North America LLC" in the United States of America, which was registered on 26<sup>th</sup> July, 2016 and a subsidiary namely "Sunil Healthcare Mexico SA DE CV" in the city of San Luis Postosi, Mexico, United Mexican States, which was registered on 1<sup>st</sup> February, 2017.

**DETAILS OF SUBSIDIARIES PERFORMANCES**

Pursuant to the provision of Section 129 (3) of the Companies Act 2013, a statement containing salient features of financial statement of subsidiaries in FORM AOC-1 is attached herewith and marked Annexure A. In accordance with section 136 of Companies Act 2013, the separate financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the registered office of the Company during working hours for period of 21 days before the date of Annual General Meeting. Your Company will also make available these documents upon request by any member of the Company interested in obtaining the same.

**EXPANSION OF THE PROJECT**

The Company has its production capacity of manufacturing of Empty Hard Capsule shell of 13 billion p.a. in the fourth quarter of the financial year 2017-18. During the year 2018-19, no expansion of production capacity was happened.

**DIVIDEND**

With a view to finance expansion from internal accrual for the growth of the Company, the directors of the Company do not recommended any dividend for the year ended March 31, 2019.

**SHARE CAPITAL**

The paid up Equity Share Capital of the Company as on March 31, 2019 was Rs. 10, 25, 47,500. During the year under review the Company has neither issued any shares nor granted any stock options.

**DIRECTORS AND KEY MANAGERIAL PERSONAL:****CESSATION**

During the financial year 2018-19, Mr. Dharman Gnanasekaran, Chief Executive Officer was retired from his office due to superannuation with effect from close of business hours of March 31, 2019. Except him, no Directors/KMP were ceased to his office.

Pursuant to the provisions of Section 152 of Companies Act 2013, Mrs. (Dr.) Lata Singh, Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting.

Mr. Ramesh Chander Khurana, Independent Director will retire after expiry of the term of 5 years on September 26, 2019.

**APPOINTMENT/RE-APPOINTMENT**

During the year 2018-19, Mr. (Dr.) Harish Pal Kumar (DIN 01826010), was appointed by the Board of Directors as an Additional Director (Independent) of the company w.e.f. February 13, 2019; and was proposed be regularized as Independent Director for a period of 5 years with effect from February 13, 2019 to February 12, 2024, by the Shareholders in 01/2018-19 Extra Ordinary General Meeting scheduled to be held on June 28, 2019.

During the year 2018-19, Mr. (Amb.) Krishna Venkatachalam Rajan (DIN 02777067), was appointed by the Board of Directors as an Additional Director (Non-Executive), liable to retire by rotation with effect from 13.02.2019 and was proposed be regularized through Special Resolution as Non- Executive Director, liable to retire by rotation beyond the age of 75 years by the Shareholders in 01/2018-19 Extra Ordinary General Meeting scheduled to be held on June 28, 2019.

Mr. Anil Kumar Khaitan, Chairman and Managing Director (DIN: 00759951), was re-appointed in the 43<sup>rd</sup> Annual General Meeting the Company for period of five years with effect from April 01, 2017 to March 31, 2022.

**DECLARATION BY INDEPENDENT DIRECTORS**

During the reporting period, pursuant to the provisions of Section 149(7) of the Companies Act, 2013, all independent directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

**NUMBER OF MEETING OF BOARD OF DIRECTORS**

During the Financial Year 2018-19, the Board of Directors met out four times on 25.05.2018, 13.08.2018, 02.11.2018 and 13.02.2019. The details of attendance of each director at the Board Meeting are provided in the Corporate Governance Report, which is part of Annual Report.

**MEETING AND COMPOSITION OF COMMITTEES OF THE BOARD**

The details of meetings, composition and attendance of each member of the committee at the committee meetings are provided in the Corporate Governance Report, which is part of the Annual Report.

During the year all the recommendations made by the Audit Committee were accepted by the Board

**AUDITOR AND AUDITOR'S REPORT****STATUTORY AUDITOR**

During Financial year under review, M/s. Jitendra Kr. Agarwal & Associates, Chartered Accountants (registration No. 318086E), was appointed as Statutory Auditor of the company by the shareholders for a period of five years starting from conclusion of 43<sup>rd</sup> Annual General Meeting, which was held on September 26, 2017 till the 48<sup>th</sup> AGM to be held in the year 2022.

During the year Auditors had informed to the Board vide letter dated November 01, 2018, the Change of Firm name of the Statutory Auditors from Jitendra K Agarwal & Associates to JKVS & Company, which was noted by the Board and intimated to the stock Exchange.

The Auditors' Report on standalone and consolidated financial statements for the year 2018-19 forming part of the Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

**SECRETARIAL AUDIT**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s ATCS & Associates, Company Secretaries, Jaipur as Secretarial Auditors of the Company for financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith and marked as Annexure B to this Report. The management Comments on observation made by the Secretarial Auditors is attached at last page of the Annexure B. The Board has appointed M/s ATCS & Associates, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2019-20.

**COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the maintenance of cost audit records is not applicable on the Company.

**INTERNAL AUDITOR**

Pursuant to Section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, the Internal Audit Records maintained by the Company.

During the year 2018-19, the Board has appointed Agarwal S. Lal & Co., Chartered Accountants as Internal Auditors to undertake the Internal Audit of the Company.

Further, the appointment of M/s. Agarwal S. Lal & Co., Chartered Accountants as Internal Auditors for financial year 2019-20 was approved by the Board upon the recommendation of the Audit Committee upon such terms and conditions as mutually agreed.

**ANNUAL RETURN**

The Annual Return for Financial year 2017-18 can be accessed at <https://www.sunilhealthcare.com/wp-content/uploads/MGT-7-SHL-2017-18.pdf>. The details forming part of the extract of the Annual Return for Financial year 2018-19 in form MGT-9 is annexed herewith and marked as **Annexure C**.

**FRAUD REPORTING**

There were no frauds found which have been reported to the Audit Committee / Board members as well as to the Central Government.

**PARTICULARS OF RELATED PARTY TRANSACTIONS**

All the related party transactions which were repetitive in nature, entered on arm's length basis in the ordinary course of business and compliance with Section 188 (1) of the Companies Act 2013 read with rules made there under, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Law. During the year under review, no related party transaction as referred under Section 188 of the Companies Act, 2013 were entered except the transaction on an arm's length basis and in the ordinary course of business. Particulars of all such contracts and arrangements with Related

Parties are given in the prescribed Form AOC-2 as appended as Annexure D to this Report Further Complete details of all related party transactions are given in Notes to Financial Statements. There was no related party transaction which is in conflict with the interest of the Company. The policy on the Related Party Transaction are available on the website of the Company at link <https://www.sunilhealthcare.com/investor-relations/CorporateGovernance/Policy/Relatedpartytransactionpolicy>.

During the year the Company did not enter with transactions with any person or entity belonging to the promoter/promoter group, which hold(s) 10% or more shareholding in the company.

#### **PARTICULARS OF EMPLOYEES:**

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as Amendment from time to time appended as **Annexure E** to this Report.

Details of employee remuneration as required under provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours for 21 days before the Annual General Meeting and shall be made available to any Shareholder on request.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in a separate statement given in the **Annexure 'F'** forming part of this report.

#### **INSURANCE AND RISK MANAGEMENT**

During the Financial Year 2018-19, the assets of the Company were adequately insured against the loss of fire and earthquake. In addition to this coverage, a statutory public liability insurance policy has been taken to cover by Company for providing against the public liability arising out of industrial accident for employees working in plant. The provision of Risk Management under Regulation 21 (5) of the SEBI (Listing Obligation & Disclosure Requirement), Regulation, 2015, is not applicable on the Company but the Company has constituted a Risk Management Committee. The Risk Management Committee was reconstituted on February 13, 2019 due to appointment of New Directors in the Board. The Risk Management Committee consist of three members viz. Mr. Ramesh Chander Khurana, Chairman, Mr. Sanjay Kaushik, Member and Mr. Harish Pal Kumar, Member. The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. There are no risks which in the opinion of the Board threaten the existence of the Company. Risk factors and its mitigation are covered extensively in the Management Discussion and Analysis Report forming part of this Board's Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The main objective of the Company's CSR policy is to lay down guidelines for the Company to make CSR a business process for sustainable development of the society at large. It aims to enhance and implement the society welfare measures by the Company in a well structural manner on short and long term basis with a vision of making Sunil Healthcare Limited to act as Good Corporate Citizen. CSR is an evolving concept at Sunil Healthcare Limited, it's been there since incorporation, we have promised to ourselves to take up the responsibility of ensuring a healthy ecosystem. SHL's CSR program is anchored on the continuing commitment to improve the quality of living conditions and opportunities for the differently able without regard to their faith, origin or gender. The composition and terms of reference of the CSR Committee are given in the Corporate Governance Report. The details of CSR Policy of the Company also available on the website of the Company at web link [https://www.sunilhealthcare.com/wp-content/uploads/CSRPoly\\_13082018.pdf](https://www.sunilhealthcare.com/wp-content/uploads/CSRPoly_13082018.pdf). The Annual Report on CSR Activities is appended as **Annexure G** to this Board's Report.

#### **CORPORATE GOVERNANCE**

In terms of Regulation 34 and other applicable regulation of SEBI (LODR) Regulations, 2015, a report on Corporate Governance along with Statutory Auditors' Certificate as required by the Listing Regulation confirming its compliance with the corporate governance requirement are appended as **Annexure H** to this Board's Report.

#### **WHISTLE BLOWER POLICY/VISIL MECHANISM**

During the year there was no case filed under this policy. The details of this Policy are stated in the Corporate Governance Report and also available on the website of the Company at web link <https://www.sunilhealthcare.com/wp-content/uploads/2015/11/WHISTLE-BLOWER-POLICY-4.pdf>.

**DISCLOSURE UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a Policy on Sexual harassment of employees in the Company in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Composition of SHL's Internal Complaint Committee (ICC): The ICC was reconstituted with effect from 02.11.2018. As on March 31, 2019 the Composition of ICC was as under

1. Mrs. Rekha Gupta - Presiding officer
2. Mr. Suresh Yadav - Member
3. Mr. Vijay Kumar Puniyani - Independent Member
4. Mrs. Sathi Nair - Member

**ICC's Report on the complaints as on December 31, 2018:**

- a) Number of complaint received during year : NIL
- b) Number of complaint disposed off : NIL
- c) Number of cases pending for more than 90 days: NIL
- d) Number of workshop or training programme organized against sexual harassment: 1
- e) Nature of action taken, if any, by the Company : NOT APPLICABLE

The Policy on Sexual harassment of employees is available on the website of the Company at link <https://www.sunilhealthcare.com/wp-content/uploads/PreventionOf-SEXUAL-HARRASMENT-POLICY02112018.pdf>

**NOMINATION & REMUNERATION POLICY**

The Nomination & Remuneration Committee of the Company formulated a criteria's for determining qualifications, positive attributes and independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013 and recommended to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees. The brief of Nomination & Remuneration Policy is stated in the Corporate Governance Report in Annexure-H and also full Nomination & Remuneration policy is available on the website of the Company at link <https://www.sunilhealthcare.com/wp-content/uploads/NOMINATION-AND-REMUNERATION-POLICY-130820018.pdf>.

**PERFORMANCE EVALUATION OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration and other committees as per the Board Evaluation policy, which is available at website of the company at web link <https://www.sunilhealthcare.com/wp-content/uploads/BOARD-EVALUATION-13082018.pdf>. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The outcome of the Board Evaluation for Financial year 2017-18, which was carried out in Financial year 2018-19 was as under:

- (i) All Non-Independent Directors.  
Mr. Anil Kumar Khaitan: 3 (Meets Expectation), Mr. B.P Srinivasan: 3 (Meets Expectation), Mrs. Lata Singh: 3 (Meets Expectation).
- (ii) Independent Directors.  
Mr. Ramesh Chander Khurana: 3 (Meets Expectation) –Part A & B, Mr. Rakesh Mohan: 3 (Meets Expectation) )- Part A & B ,  
Mr. Sanjay Kaushik : 3 (Meets Expectation) )-Part A & B.
- (iii) The Chairman and Managing Director.  
The results of the Evaluation of The Chairman and Managing Director was 3 (Meet Expectation).
- (iv) The Board as whole.  
The results of the Evaluation of performance of the Board as whole was 3 (Meet Expectation)
- (v) The Audit Committee and Nomination and Remuneration Committee.

The result of the evaluation of performance of the Audit Committee and Nomination and Remuneration Committee were 3 (Meets Expectation).

The Board Evaluation of Financial year 2018-19 will be carried on in financial year 2019-20.

**INDEPENDENT DIRECTOR'S MEETING**

During the year under review, one meeting of the Independent Directors of your Company was held on 13.02.2019 without the presence of any member of Management. The Meeting are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), review the performance of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**INTERNAL FINANCIAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS**

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorisation of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

**PUBLIC DEPOSIT**

Your Company has not accepted any public deposit within the meaning of provisions of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding deposit due for re-payment.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. Further the Company had invested of Rs. 6000 in the government Securities i.e National Saving Certificate since long time.

**SIGNIFICANT MATERIAL CHANGES AFTER BALANCE SHEET DATE AFFECTING FINANCIAL POSITION**

There are no change and commitments which affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate i.e 31.03.2019 and the date of report 30<sup>th</sup> May 2019.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Section 124 and 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting, audit, Transfer and Refund), Rule, 2016 ("The Rules") are required to be transferred by the Company to Investor Education & Protection fund (The IEPF) established by the Central Government after the completion of seven years. Further according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. However, the company did not declare dividend after 2008-09. The Company has transferred the unpaid or unclaimed dividend for the financial year 1999-2000 to 2008-09 as per the relevant provision of the Companies Act 2013. Thereafter, The Company did not declare any dividends. Further, those shareholders, whose dividends were transferred in IEPF Account may still claim refund by filing refund application in form IEPF-5, after filing form printout of the same to be submitted alongwith indemnity bond, acknowledgment, self-attested form and other necessary documents as mentioned in detailed procedures for claiming refund at IEPF portal <http://www.iepf.gov.in/IEPFA/refund.html>, for verification purpose to the Mr. Santosh Kumar Sharma, Company Secretary, The Nodal Officer, Vijay Tower, 38E/252-A, Shahpur Jat, Panchsheel Park Commercial Complex, New Delhi-110049, contact no. 011-49435555. The details of unpaid dividend are provided on our website at [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

**SECRETARIAL STANDARD**

During the reporting period 2018-19, your Company has complied with the Secretarial Standard 1 and 2 issued by the Institute of Companies Secretaries of India, which were made applicable with effect from 01.07.2015 and amended from time to time.



**CREDIT RATING**

The details of credit rating assigned by CARE Ratings Limited, credit rating agency during the financial year 2018-19 are as under:

S.No.	Facilities/instruments	Amount (Rs. Crores)	Rating	Rating Action
1.	Long-term Bank facilities (Fund based)	28.00	CARE BBB-, Stable (Triple B minus, Outlook: Stable)	Reaffirmed
2.	Long-term Bank facilities (Term Loan)	-	-	Withdrawn#
3.	Short-term Bank facilities	18.90	CARE A3 (A Three)	Reaffirmed
<b>Total facilities</b>		<b>46.90 ( Rupees forty six crores and ninety lakhs only)</b>		

Note:

# CARE has noted that the Company has settled the availed bank facilities. Taking cognizance of the fact, it has withdrawn the Rating during the financial year 2018-19 as compared to last year.

During the financial year 2018-19, the company did not issue any securities, deposit, and commercial papers etc. which require credit rating by credit rating agency.

**LISTING AND CONFIRMATION OF FEE**

The securities of your Company are listed at The Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange (CSE). The Annual Listing fees for the year 2019-20 was paid to the Bombay Stock Exchanges (Listing fees to Calcutta Stock Exchange are being paid as on date of the Report). The Company has paid the annual custody fee for the year 2019-20 to CDSL and payment to NSDL will be made upon receipt of Bill.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith the proper explanation relating to material departures.
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the that period.
- III. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. 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.



## SUNIL HEALTHCARE LIMITED

- VI. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### STATUTORY DISCLOSURES:

During the reporting Financial Year 2018-19, your Directors state that there being no transactions were done with respect to the following items, hence, no disclosure or reporting is required:

1. Deposits from public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of Equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to the Employees of your company under any scheme.
4. The Managing Director of your company did not receive any remuneration or commission from any of the subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
6. Buy Back of shares.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Provision of Regulation 34 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and in compliance of the provision of Companies Act -2013 a Management Discussion and Analysis Report is appended to this report.

### INDUSTRIAL RELATION

Relation with the employees remain cordial and your Directors wish to place on record their appreciation of the co-operation and contribution made by the employees at all levels.

### RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the annual report is being sent to the members of the Company. The said information is available at the website of the Company and is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to be Company Secretary and the same will be furnished on request.

### CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

### ACKNOWLEDGEMENTS:

Your Board place on record their appreciation for the overwhelming co-operation and assistance received from the Company's esteemed Shareholders, valued Customers, Suppliers, Business Associates, Bankers, Vendors, various Financial Institutions, the State and Central Government Bodies, Auditors and Legal Advisors for their valuable contribution and continued support and to all the persons who reposed faith and trust in Company.

Your Board also place on record their appreciation to its employees for their dedicated service and firm commitment to the goals of the Company, without their commitment and hard work, Company's consistent growth was not possible.

On behalf of the Board

**Anil Kumar Khaitan**  
Chairman cum Managing Director  
Din-00759951  
Place :- New Delhi  
Dated -30.05.2019

Reg. Office:  
38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049  
CIN No: L24302DL1973PLC189662  
Phone No: +91-11-49435555/00 Fax no 011-43850087  
Email ID: info@sunilhealthcare.com  
Website:www.sunilhealthcare.com



## SUNIL HEALTHCARE LIMITED

### ANNEXURE A TO THE BOARD'S REPORT

#### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Sunil Healthcare North America LLC	Sunil Healthcare Mexico SA DE CV
1.	The date since when subsidiary was acquired	26/07/2016	01/02/2017
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	1 <sup>st</sup> January 2018 to 31 <sup>st</sup> December 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US Dollars Exchange Rate as on 31/3/2019 – 1 USD = Rs. 69.17	Mexican Pesos Exchange Rate as on 31/3/2019 – 1 Mexican Pesos = Rs. 3.57
4.	Share capital	Rs. 12.91 Lakhs	Rs. 0.11 Lakhs
5.	Reserves & surplus	(Rs. 194.47 Lakhs)	Rs. 80.29 Lakhs
6.	Total assets	Rs. 61.65 Lakhs	Rs. 805.00 Lakhs
7.	Total Liabilities	Rs. 243.21 Lakhs	Rs. 724.60 Lakhs
8.	Investments	NIL	NIL
9.	Turnover	Rs. 4.02 Lakhs	Rs. 381.87 Lakhs
10.	Profit before taxation <sup>1</sup>	(Rs. 44.54 Lakhs)	(Rs. 15.78 Lakhs)
11.	Provision for taxation	NIL	Rs. 25.73 Lakhs
12.	Profit after taxation	(Rs. 44.54 Lakhs)	Rs. 9.95 Lakhs
13.	Proposed Dividend	NIL	NIL
14.	Extent of shareholding (In percentage)	100%	99.97%

#### Notes:

1. Profit before Taxation is as per the Financial Statement prepared by the Holding Company for the purpose of consolidation of Financial Statement.
2. None of the Subsidiary has been sold or liquidated during the year.

#### On Behalf of the Director of

Anil Kumar Khaitan  
Chairman cum Managing Director  
DIN - 00759951  
Date: 30/05/2019

Place: New Delhi

R. C. Khurana  
Director, Chairman of Audit Committee  
DIN - 07352915

**ANNEXURE B TO THE BOARD'S REPORT**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019**

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

To,  
The Members,  
SUNIL HEALTHCARE LIMITED  
38E/252A, Vijay Tower,  
Shahpurjat,  
New Delhi- 110049

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sunil Healthcare Limited (hereinafter called the company). 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 Sunil Healthcare Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sunil Healthcare Limited for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (repealed w.e.f. 15<sup>th</sup> May, 2015)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company 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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- (vi) The other specific laws applicable to the company are:
  - (a) Petroleum & Explosive Act
  - (b) Drugs & Cosmetic Act.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and Calcutta Stock Exchange and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015;

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

1. *During the period under review Form No. MGT-14 related to Board Meeting Dated 13.02.2019 has not been filled within prescribed time period.*

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 the company was applied for the delisting of its Equity Shares from the Calcutta Stock Exchange in year 2014-15 and the application is still pending before the concerned authorities.

We further report that during the audit period the company has two legal cases pending against the company in the court of Law.

This report is to be read with our letter of even date which is annexed as ANNEXURE 'A' and forms an integral part of this report.

Place: Jaipur  
Date: 30.05.2019

FOR ATCS & ASSOCIATES  
Practicing Company Secretaries  
Tara Chand Sharma  
[Partner]  
FCS No. 5749  
C P No.: 4078

## ANNEXURE 'A'

To,  
The Members  
SUNIL 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. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.
5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. 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.
7. 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.

Place: Jaipur  
Date: 30.05.2019

FOR ATCS & ASSOCIATES  
Practicing Company Secretaries  
Tara Chand Sharma  
[Partner]  
FCS No. 5749  
C P No.: 4078

**Management response in respect of observation of Secretarial Auditor**  
(Reference Secretarial Auditors' Report, May 30, 2019)

Sl. No.	Observation	Clarification of Management
1	<i>During the period under review Form No. MGT-14 related to Board Meeting Dated 13.02.2019 has not been filled within prescribed time period.</i>	Noted, the Form MGT-14 was filed.





## SUNIL HEALTHCARE LIMITED

### ANNEXURE C OF THE BOARD'S REPORT

Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

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

1	REGISTRATION AND OTHER DETAILS :		
1	CIN:-	L24302DL1973PLC189662	
2	Registration Date	05.02.1973	
3	Name of the Company	Sunil Healthcare Limited	
4	Category / Sub-Category of the Company	Public Limited Company	
5	Address of the Registered Office and contact details	38E/252A, Vijay Tower, Shahpurjat, New Delhi -110049 Tel ; +91 11 - 49435555/00, F +91 11 43850087 E-mail-info@sunilhealthcare.com / Web: www.sunilhealthcare.com	
6	Whether listed company Yes / No	Yes	
7	Name, Address and Contact details of Registrar	Alankit Assignments Limited -RTA Division, Alankit Height 3E/7 Jhandelwala Extension New Delhi -110055, tel: 91-114254 1234 Fax: 91-11-4254 1201, 91-11-2355 2001 Web:- www.alankit.com, Email Id:- info@alankit.com	

II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
	All the business activities contributing 10 % or more of the Total turnover of the company shall be stated:-					
	Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to Total turnover of the company		
	1	Empty Hard Gelatine Capsules	24295	99.61%		
	2	Marketing of Food Product	1513	0.39%		
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
	Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATES	% of Shares held	Applicable Section
	1	Sunil Healthcare North America LLC	NA	Wholly Owned Subsidiary	100%	NA
	2	Sunil Healthcare Mexico SA DE CV	NA	in USA Subsidiary in Mexico	99.97%	NA



## SUNIL HEALTHCARE LIMITED

IV	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
I	Category-wise Share Holding									
	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the
		Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
	<b>A) Promoters</b>									
	<b>1) Indian</b>									
a	Individual/ HUF	6213094	0	6213094	60.59	6213094	0	6213094	60.59	0.00
b	Central Govt	0	0	0	0	0	0	0	0.00	0.00
c	State Govt (S)	0	0	0	0	0	0	0	0.00	0.00
d	Bodies Corp	1327211	0	1327211	12.94	1327211	0	1327211	12.94	0.00
e	Bank /FI	0	0	0	0	0	0	0	0.00	0.00
f	Any Others	0	0	0	0	0	0	0	0.00	0.00
	<b>Sub-Total (A) (1):-</b>	<b>7540305</b>	<b>0</b>	<b>7540305</b>	<b>73.53</b>	<b>7540305</b>	<b>0</b>	<b>7540305</b>	<b>73.53</b>	<b>0.00</b>
	<b>2) Foreign</b>									
a	NRIs - Individuals	0	0	0	0	0	0	0	0.00	0.00
b	Other - Individuals	0	0	0	0	0	0	0	0.00	0.00
c	Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
d	Banks / FI	0	0	0	0	0	0	0	0.00	0.00
e	Any Others	0	0	0	0	0	0	0	0.00	0.00
	<b>Sub-Total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>7540305</b>	<b>0</b>	<b>7540305</b>	<b>73.53</b>	<b>7540305</b>	<b>0</b>	<b>7540305</b>	<b>73.53</b>	<b>0.00</b>
	<b>B. Public Shareholding</b>									
	<b>1) Institutions</b>									
a	Mutual funds	0	0	0	0	0	0	0	0	0.00
b	Banks / FI	741	9735	10476	0.10	741	9735	10476	0.10	0.00
c	Central Govt	0	0	0	0	0	0	0	0	0.00
d	State Govt (S)	0	0	0	0	0	0	0	0	0.00
e	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f	Insurance Companies	0	0	0	0	0	0	0	0	0.00
g	FIs	0	0	0	0	0	0	0	0	0.00
h	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i	Others (Specify )	0	0	0	0	0	0	0	0	0.00
	<b>Sub-Total (B) (1):-</b>	<b>741</b>	<b>9735</b>	<b>10476</b>	<b>0.10</b>	<b>741</b>	<b>9735</b>	<b>10476</b>	<b>0.10</b>	<b>0.00</b>
	<b>2) Non- Institutions</b>									
a	<b>Bodies Corp</b>									
	i) Indians (excluding CM, HUF-resident)	840933	1345	842278	8.21	811613	1345	812958	7.93	-0.29
	ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
b	<b>Individuals</b>									
	i) Individual shareholders holding nominal share capital	829442	489292	1318734	12.86	744443	463330	1207773	11.78	-1.08
	ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	413144	0	413144	4.03	567369	0	567369	5.53	1.50
	Others (Specify ) Non Residential Individual, Clearing Member, Resident-	129732	81	129813	1.27	115788	81	115869	1.13	-0.14
	<b>Sub-Total (B) (2):-</b>	<b>2213251</b>	<b>490718</b>	<b>2703969</b>	<b>26.37</b>	<b>2239213</b>	<b>464756</b>	<b>2703969</b>	<b>26.37</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2213992</b>	<b>500453</b>	<b>2714445</b>	<b>26.47</b>	<b>2239954</b>	<b>474491</b>	<b>2714445</b>	<b>26.47</b>	<b>0.00</b>
	<b>Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Grand Total (A+B+C)</b>	<b>9754297</b>	<b>500453</b>	<b>1E+07</b>	<b>100</b>	<b>9780259</b>	<b>474491</b>	<b>1E+07</b>	<b>100.00</b>	<b>0.00</b>

II	Shareholding of Promoters							
SL NO	Shareholders's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of Total Shares of the company	% of Shares Pledged / encumber	No of Shares	% of Total Shares of the	% of Shares Pledge d /	
1	Mr. Anil Kumar Khaitan	5942494	57.95	0	5942494	57.95	0	0
2	Mrs.. Renu Modi	270600	2.64	0	270600	2.64	0	0
3	M/s Magnum Computers Private	1327211	12.94	0	1327211	12.94	0	0
	Total	7540305	73.53	0	7540305	73.53	0	0

III	Change in Promoters' Shareholding ( please specify, if there is no change )			
Sl. No		Shareholding at the beginning of the year/ End of the year		Cumulative Shareholding during the year
		No. of Shares	% of Total Shares of the company	No. of Shares % of Total Shares of the company
	At the beginning of the year	7540305	73.53	
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat etc.)	Nil	Nil	
	At the End of the year	7540305	73.53	
Note :	There are no change in the total promoters shareholding between 01.04.2018 to 31.03.2019.			



## SUNIL HEALTHCARE LIMITED

IV Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
Sl. No	Name	Shareholding at the beginning of the year/ End of the year		Date	Increase /Decrease in Share Holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
1	M/s SNK Executive Search Private Limited	543690	5.30	01.04.2018		Nil movement during the year	543690	5.30
		543690	5.302	31.03.2019				
2	KANCHAN SUNIL SINGHANIA	283822	2.768	01.04.2018				
		283461	2.764	31.03.2019	-361	Market sale On 11.05.2018	283461	2.764
3	M/S MAGADH TRADERS LIMITED	158066	1.541	01.04.2017		Nil movement during the year	158066	1.541
		158066	1.541	31.03.2018				
4	DHEERAJ KUMAR LOHIA	9121	0.089	01.04.2018	4219	Market Purchase on 04.05.2018		
		13340	0.130	04.05.2018	2234	Market purchase on 08.06.2018		
		15574	0.152	08.06.2018	2600	Market purchase on 27.07.2018		
		18174	0.177	27.07.2018	3287	Market purchase on 31.08.2018		
		51061	0.498	31.08.2018	300	Market purchase on 14.09.2018		
		51361	0.501	14.09.2018	10436	Market purchase on 21.09.2018		
		61797	0.603	21.09.2018	7593	Market purchase on 28.09.2018		
		69390	0.677	28.09.2018	3991	Market purchase on 12.10.2018		
		73381	0.716	12.10.2018	2157	Market purchase on 19.10.2018		
		75538	0.737	19.10.2018	2158	Market purchase on 26.10.2018		
		77696	0.758	26.10.2018	11526	Market purchase on 09.11.2018		
		89222	0.870	09.11.2018	30892	Market purchase on 16.11.2018		
		120114	1.171	16.11.2018	30000	Market purchase on 23.11.2018		
		150114	1.464	23.11.2018	762	Market purchase on 30.11.2018		
		150876	1.471	30.11.2018	398	Market purchase on 15.03.2019		
		151274	1.475	15.03.2019			151274	1.475
5	JAPAN MAHESH VYAS	105000	1.024	01.04.2018				
		104678	1.021	31.03.2019	-322	Market sale On 11.05.2018	104678	1.021
6	MAYANK SECURITIES LIMITED	0	0.000	01.04.2018	4500	Market Purchase on 21.12.2018		
		4500	0.044	21.12.2018	4988	Market Purchase on 28.12.2018		
		9488	0.093	28.12.2018	2000	Market Purchase on 11.01.2019		
		11488	0.112	11.01.2019	4000	Market Purchase on 18.01.2019		
		15488	0.151	18.01.2019	8700	Market Purchase on 22.02.2019		
		24188	0.236	22.02.2019	3000	Market Purchase on 01.03.2019		
		27188	0.265	01.03.2019	3000	Market Purchase on 08.03.2019		
		30188	0.294	08.03.2019	3000	Market Purchase on 15.03.2019		
		33188	0.324	15.03.2019				
		33188	0.324	31.03.2019			33188	0.324
7	RIDDHESH RAM GANDHI	24322	0.237	01.04.2018				
		27956	0.273	08.06.2018	3634	Market Purchase on 08.06.2018	27956	0.273
		27956	0.273	31.03.2019				
8	S R GUPTA	26525	0.259	01.04.2018		Nil movement during the year	26525	0.259
		26525	0.259	31.03.2019				
9	SHALIMAR HOLDINGS LTD	23511	0.229	01.04.2018		Nil movement during the year	23511	0.229
		23511	0.229	31.03.2019				
10	CHANDRA MOHAN MISHRA	16590	0.162	01.04.2018		Nil movement during the year	16590	0.162
		16590	0.162	31.03.2019				



## SUNIL HEALTHCARE LIMITED

V	Shareholding of Directors and Key Managerial Personnel:						
Sl. No	Name	Shareholding at the beginning of the year/ End of the year No. of Shares	% of Total Shares of the company	Date	Increase Decrease in Share Holding	Reason	Cumulative Shareholding No. of Shares % of Total Shares of the
	Mr. Anil Kumar Khaitan (Director /KMP)	5942494	57.95	01.04.2018	0	0	0 0.00
		5942494	57.95	31.03.2019			
NOTE Except Mr. Anil khaitan none of the directors and Key Managerial Personal hold any shares of the Company							

V	INDEBTEDNESS					
		Indebtedness of the Company including interest outstanding/accrued but not due for payment				
			Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
		Indebtedness at the beginning of the financial year				
	I	Principal Amount	5867.46	195.13		6062.59
	II	Interest due but not paid	0	0		0
	III	Interest accrued but not due	2.55	39.26		41.81
		Total (i+ii+iii)	5870.01	234.39	0	6104.4
		Change in Indebtedness during the financial year				
		Addition	840.27	513.77		1354.04
		Reduction	1802.11	107		1909.11
		Net Change	-961.84	406.77		-555.07
		Indebtedness at the end of the financial year				
	I	Principal Amount	4905.62	601.9		5507.52
	II	Interest due but not paid	0	0		0
	III	Interest accrued but not due	44.42	2.17		46.59
		Total (i+ii+iii)	4950.04	604.07		5554.11

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL								
	A	Remuneration to Managing Director, Whole-time Directors and/or Manager							
	Sl. no.	Particulars of Remuneration	Name of MD/MTD/						Total Amount
			Mr. Anil Khaitan						
	1	Gross salary							
	a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,763,762.00						
	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							
		as % of profit							
		others, specify							
	5	Others, please specify							
		Total (A)	2,763,762.00						
		Ceiling as per the Act	84 00 000*						
Note	*	The Ceiling limit as per the part A of the Section II of the part II of Schedule V of the Companies Act-2013 in case of company have Inadequate profit							
		The remuneration given above is on paid basis. However, the calculation of median is made on the CTC basis.							
	B	Remuneration to other directors							
	Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount	
	1	Independent Directors	Mr. Harish Pal Kumar*	Mr. Sanjay Kumar	Mr.Rakesh Mohan	Mr. R C Khurana			
		Fee for attending board committee meetings	8500	85000	76500	93500		263500	
		Commission							
		Others, please specify							
		Total (1)	8500	85000	76500	93500		263500	
		Other Non-Executive Directors							
			Dr. (Mrs.) Lata Singh	Mr. B P Srinivasan	Mr. K.v. Rajan				
		Fee for attending board committee meetings	76500	85000	8500			170000	
		Commission							
		Others, please specify							
		Total (2)	76500	85000	8500			170000	
		Total (B)=(1+2)	85000	170000	85000	93500		433500	
		Total Managerial Managerial Remuneration	Including the remuneration of Managing director and other non executive director of the Company					3197262	
		Overall Ceiling as per the Act	Rs. 84 Lakh to MD as per schedule V of the Act and Ceiling as per the act for payment of sitting fees to non-executive directors is Rs. 1,00,000/-per meeting						
	Note	* Mr. Harish Pal Kumar was appointed as Additional Director (Independent) with effect from 13.02.2019							
		** Mr. K. V. Rajan was appointed as Additional Director (Non-Executive) with effect from 13.02.2019							



C	REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTd							
Sl. no.	Particulars of Remuneration	Key Managerial Personnel						
		D. Gnansekaran, CEO	Pawan Rathi, CFO	Santosh Kumar Sharma,		TOTAL		
1	Gross salary			CS				
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6442947	2579700	1665504		10688151		
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	593819	0	0		593819		
c	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0		0		
2	Stock Option	0	0	0		0		
3	Sweat Equity	0	0	0		0		
4	Commission	0	0	0		0		
	as % of profit	0	0	0		0		
	others, specify	0	0	0		0		
5	Others, please specify	0	0	0		0		
	Total	7036766	2579700	1665504		11281970		
Note	The remuneration given above is on paid basis. However, the calculation of median is made on the CTC basis.							

VI PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:						
Type	Section of the Companies Act	Brief Discription	Details of Penalty / Punishment/ Compounding	Authority (RD/NCLT/Court)	Appeal Made If any ( Give	
A	COMPANY					
	Penalty	NA	NA	NA	NA	NA
	Punishment *	NA	NA	NA	NA	NA
	Compounding	For delay of 358 days in filing of Form CHG-4 for satisfaction of	2000	RD		NA
		For delay of 317 days in filing of Form CHG-4 for satisfaction of	4000	RD		NA
		For delay of 333 days in filing of Form CHG-4 for satisfaction of	5000	RD		NA
A	DIRECTORS	NOT APPLICABLE				
	Penalty					
	Punishment *					
	Compounding					
A	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment *					
	Compounding					



## SUNIL HEALTHCARE LIMITED

ANNEXURE D OF THE BOARD REPORT					
Form No. AOC-2					
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)					
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto					
I	Details of material contracts or arrangement or transactions at arm's length basis:				
Sr. No	Particulars	Mrs. Sarita Khaitan	Mr. Ishan khaitan	Mr. Kahaan Khaitan	Mrs. Aanchal Khaitan
1	Name(s) of the related party and nature of relationship	Wife of Anil Khaitan (CMD)	Son of Anil Khaitan (CMD)	Son of Anil Khaitan (CMD)	Daughter- In-Law of Anil Khaitan (CMD)
2	Nature of contracts/arrangement	Remuneration and Agreement of Guest House for Company	Remuneration	Remuneration	Remuneration
3	Duration of the contracts / arrangements/transactions	Purpose Ongoing	Ongoing	Ongoing	Ongoing
4	Salient terms of the contracts or arrangements or transactions including the value, if any:	1-Appointment as Chief Strategis Officer on 01.04.2011 at a monthly remuneration of Rs 1,17,625/- plus perquisites per month as applicable as per rules of the Company and ammended time to time. (2) Agreement of Guest House for the Company Purpoe @ Rs. 1, 75,000/- per month (Rs. 95000 Toward Repair & Maintenance and Rs. 80000 towards rent), which was revised to Rs. 2,00,000 per month w.e.f. 01.04.2018	Appointment as President Opretaion & Marketing on 01.04.2010 at a monthly remuneration of Rs 47,650/- (at present Rs. 1,22,000/- ) plus perquisites per month as applicable as per rules of the Company and ammended time to time	Appointment as Manager Business Process (at Present Sr. Vice President Procurement ) on 01.05.2013 at a monthly remuneration of Rs 23,875/- ( at present Rs. 75,625/- ) plus perquisites per month as applicable as per rules of the Company andammended time to time	Appointment as Manager Business Development on 01.04.2013 at a monthly remuneration of Rs 23,875/- plus perquisites per month as applicable as per rules of the Company and ammended time to time
5	Date(s) of approval by the Board, if any	1. 06.08.2011 2. 11.02.2015 3. 12.02.02018 (ACM)	29.05.2010 first approval and last ammended on 11.05.2013	11.05.2013 first approval and last ammended on 28.05.2015.	11.05.2013
6	Amount paid as advances, if any:	NIL	NIL	NIL	NIL

Note

1. Details of material contracts or arrangement or transactions not at arm's length basis: N.A

On behalf of the Board

**Anil Kumar Khaitan**  
Chairman cum Managing Director  
Din-00759951  
Place :- New Delhi  
Dated -30.05.2019

Reg. Office:  
38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049  
CIN No: L24302DL1973PLC189662  
Phone No: +91-11-49435555/00 Fax no 011-43850087  
Email ID: info@sunilhealthcare.com  
Website:www.sunilhealthcare.com

**PART A**
**ANNEXURE E OF THE BOARD REPORT**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014** (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 are as under:

S.NO.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (in Rupees)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director, KMP to median remuneration of employees
1	Mr. Anil Khaitan chairman cum Managing Director Mr. D. Gnanashekar Chief	2955604	Nil	7.10
2	Executive Officer	6331387	Nil	15.22
3	Mr. Pawan Rathi Chief Financial Officer	2836541	Nil	6.82
4	Mr. Santosh Kumar Sharma AGM Legal cum Company Secretary	1817139	Nil	4.37

**Note 1** i. For calculation of ratio of salary of Director and KMP with median salary of employees, Annual CTC was considered.

**Note 2** (i) The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions of the companies act 2013. The details of sitting fees paid to Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage in increase of remuneration for Non-Executive Directors is not applicable in our the above purpose.  
(ii) the median was calculated on the Annual CTC Basis.

(ii) The median remuneration of employees of the Company during the financial year 2018-19 was Rs.4,16,058 and in financial year 2017-18 was Rs. 3,16,708

(iii) The percentage increase in the median remuneration of the employees in the Financial Year 2018-19 was 31.37% and in Financial year 2017-18 was 5.65 %

(iv) There were 187 permanent employees on the rolls of Company as on March 31, 2019 and 186 permanent employees on the roll as on March 31, 2018;

**(v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 0.51 %** whereas there is no increase in the remuneration of managerial personnel for the same financial year.

**(vi) The key parameters for the variable component of remuneration availed by the directors :-** The remuneration was paid to the non-executive directors by way of sitting fees for attending the board meeting and committee meeting of the company. The boards of directors of the company are regularly reviewing and evaluating the performance of the each directors, Key Managerial personal of the company as per the Nomination & Remuneration Policy of Company for the members of board and key managerial personnel and senior management personnel.

**(vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.**



## SUNIL HEALTHCARE LIMITED

DETAIL OF NAMES OF THE TOP TEN EMPLOYEES OF THE COMPANY IN TERMS OF REMUNERATION DRAWN IN FY 2018-19  
(As per rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial personnel)  
Rules, 2014 and Amendment Rules, 2016

### PART -B

	Name of the Employee	Designation of Employee	Remuneration Received (Gross Annually)	nature of employment, whether contractual or otherwise	qualifications and experience of the employee	date of commencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. D. Gnanasekaran	Chief Executive Officer	6,331,387.00	Permanent	M.E./M.B.A., C.ENG.G., M.I.E., and more than 37 years experience and last 17 years heading Organisations	08.09.2011	63 years	Garware Bestreth , Pune and ICIL , Chennai	Nil	Nil
2	Mr. Santosh Deshpandhu	Sr. Vice President & Plant Head	3,098,718.00	Permanent	B. Pharma and More than 32 years rich experience	01.02.2016	57 years	Universal Medicare Private Limited	Nil	Nil
3	Mr. Ishan Khaitan	President Operation & Marketing	2,999,716.00	Permanent	Bachelor of Science (Industrial Engineering) from University of Illinois at Urbana Champaign and more than 7 years experience	01.04.2010	32 years	Not applicable	Nil	Mr. Anil Khaitan
4	Mr. Anil Kumar Khaitan	Chairman cum Managing Director	2,955,604.00	Permanent	MBA from IMI, Geneva and more than 42 years rich experience	31.10.1984	63 years	Not applicable	57.95	Nil
5	Mr. Sanjay Kumar Tiwari	DGM- Marketing	2,836,541.00	Permanent	MBA - Marketing and more than 23 years of Experience	04.03.2004	48 years	Pammi Tissue Limited	Nil	Nil
6	Mr. Pawan Rathi	Chief Financial Officer	2,836,541.00	Permanent	F.C.A., B.com (H), 19 years experience in Accounts and Finance	01.11.2011	46 years	Saru International Pvt. Ltd.	Nil	Nil
7	Mrs. Sarita Khaitan	Chief Strategic Officer	2,822,656.00	Permanent	B.A (H) English	01.04.2011	62 years	Not applicable	Nil	Mr. Anil Khaitan
8	Mr. Shiv Kumar Singh	GM-ENG	2,102,124.00	Permanent	B.TECH, MBA and More than 27 years of Experience	07-10-2013	40 Years	Vitalife Laboratories (unit of Arch pharma labs LTD),	Nil	Nil
9	Bipin Nambiar	GM-Sales-Regulated Market	1,986,897.00	Permanent	BA from St. Francis college, MBA-Marketing from NIBM 23 years of experience	1/22/2018	44 years	The National Detergent Co. SAOC (NDC), Oman as Global Head-BD	Nil	Nil
10	Mr. Sabya Sachinath	GM-R&D, RA & GPR	1,937,997.00	Permanent	MSC-Chemistry, Diploma in Foreign Trade Management	1/8/2018	50	PT. Medisafe Technology, Indorama, Indonesia	Nil	Nil

### SUNIL HEALTHCARE LIMITED Annexure 'F' to Board Report

#### 1 Conservation of Energy

##### (a) Energy Conservation measures taken.

Energy Conservation continues to receive due emphasis and is systematically monitored. Special attention is given on creating awareness about conservation of energy in all areas of productivity.

##### (b) Additional Investment and proposal, if any, being implemented for the reduction of energy consumption.

The Company continues to explore measures which will help in conservation and saving of energy including monitoring of consumptions and improved operational methods.

##### (c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The implementation of measures adopted for energy conservation has resulted in containing energy cost.

#### 2 Technology Absorption:

##### A Research & development (R&D)

##### (a) Specified area in which R&D carried out by the Company

Continuous efforts made to improve the process

##### (b) Benefits derived as a result of the above R & D

Improvement in quality and production efficiency

##### (c) Future Plan of action

Continuous efforts will be done to improve the process and productivity.

##### (d) Expenditure in R & D

##### I) Capital

Debited to the respective heads of accounts

##### II) Recurring

III) Total				
IV) R&D expenditure as a % of total turnover				
<b>B Technology Absorption, Adaptation &amp; Innovation :</b>				
(a) Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation				Not Applicable
(b) Benefits derived as a result of the above efforts				Not Applicable
(c) In case of Imported Technology( Imported during the last five years) reckoned from the beginning of the financial year.				The Company has not purchased or got any technology from abroad during the year.
I ) Technology imported				Not Applicable
II) Year of Import				Not Applicable
III) Has the Technology fully been absorbed?				Not Applicable
IV) If not fully absorbed area where this has not taken place, reasons thereof and future plan of action.				Not Applicable
<b>3 Foreign Exchange Earnings &amp; Outgo:</b>				
A Activities relating to exports initiative taken to increase exports, development of new export market for products and services , and export plans.				Company continues to work to improve its exports and develop new market for increasing the exports
<b>B</b>	<b>Total Foreign Exchange used and earned</b>	<b>2018-19</b>	<b>2017-18</b>	
(a) Used	Rs. in Lacs	1,648.09	2353.61	
(b) Earned	Rs. in Lacs	1,630.90	2437.80	

**ANNEXURE -G TO THE BOARD'S REPORT**
**Annual Report on CSR Activities**

(Pursuant to section 135 of the Companies Act -2013)

**A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programs :**

The main objective of the CSR policy is to lay down guidelines for the Company to make CSR a business process for sustainable development of the society at large. It aims to enhance and implement the society welfare measures by the Company in a well structural manner on short and long term basis with a vision of making SHL to act as Good Corporate Citizen. CSR is an evolving concept at SHL, it's been there since incorporation, we have promised to ourselves to take up the responsibility of ensuring a healthy ecosystem. SHL's CSR program is anchored on the continuing commitment to improve the quality of living conditions and opportunities for the differently abled without regard to their faith, origin or gender.

Your Company has been actively contributing to the overall growth of the society through various CSR initiatives undertaken either by itself and through "International Centre for Women and Child" which is registered under Societies Registration Act 1860. The flagship program to build-up the toilets in the District of Alwar, Rajasthan under sanitation activities specifically in the girls' schools started in 2014-15. The Company has built up total 57 environment friendly bio toilets in Village Hajipur Ka Bass, Dadhikar in the Alwar district of Rajasthan till FY 2016-17.

During the financial year 2018-19, your Company had also initiated Swayam Projects for Distribution of sanitary pads and creating awareness on menstrual hygiene in the rural area of Alwar Districts. Project has great impacted over 400 women and made them more conscious of cleanliness and health;

Your company is also giving donations to School for education, Donations to Hospital for medicine for poor people and Donations to Old Age Home, since last many years in the Alwar district and in the financial year 2018-19, the company has spent for Animal welfare also.

Corporate Social Responsibility (CSR) is termed as a way of 'giving back 'to the society through many different ways by positively impacting on their lives and environment. The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the focus areas as notified under schedule VII of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. In accordance with the Companies Act, 2013, your Company has committed 2% of their profit annually towards CSR initiatives. A copy of the CSR Policy is available on company's website at [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and web link of the same is [https://www.sunilhealthcare.com/wp-content/uploads/CSRPoly\\_13082018.pdf](https://www.sunilhealthcare.com/wp-content/uploads/CSRPoly_13082018.pdf).

**Areas of development under CSR:-**

Developing toilets and promoting sanitation by procuring, distributing sanitary pads amongst the Girls/women and promoting/creating awareness on women hygiene, sex education etc.

**1. Sanitation activities:** SHL is carrying out continuously the following Sanitation related activities:

- Humara Sauchalaya

Our company has constructed various toilets in the rural areas of Alwar district.  
Details of Household and School Toilet Constructed

S.NO.	Funding Agency	No. of Toilet Constructed	Construction Period	District	Block/ Panchayat	Villages Covered by ICWC
1	Sunil HealthCare Ltd.	25 Household	August 2014	Alwar, Rajasthan	Umrain Block	Hazipur Ka Bass
2	Satya Foundation	3 school toilet complex	December 2014 to January 2015	Alwar, Rajasthan	Umrain Block	1. Dadhikar 2. Hazipur Ka Bass
3	Satya Foundation	1 School toilet complex	February 2015	Alwar, Rajasthan	Umrain Block	1. Kaduki
4	Sunil HealthCare Ltd.	26 household Toilets	April & May 2017	Alwar, Rajasthan	Umrain Block	1. Bhengda Ka Bass

- (ii) Swayam  
Distribution of sanitary pads and creating awareness on menstrual hygiene.  
Present in these three villages: Hajipur, Hajipur Ka Bass, Dadhikar village of Alwar District;  
Project has impacted over 400 women and made them more conscious of cleanliness and health;  
Our session on menstrual hygiene and gender equality had great impact on improving the Menstrual hygiene awareness both in men and women.

2. **Donation to Hospitals**  
SHL has a policy of donation, grant and or financial assistance to hospitals, dispensaries, nursing homes, maternity homes, child welfare centers, clinic, laboratories, mobile medical ambulances, medical and /or surgical equipment and camp and other establishment for giving medical relief to the aged, orphaned, disabled, sick, destitute, abandoned, helpless persons and general public.

3. **Donation to Schools**  
SHL has a policy of donation, grant and /or financial assistance to school, college, hostel, libraries, reading room, lecture hall museums and other establishment and institutions for the development of education and diffusion of useful knowledge. Provide for and top afford opportunities and facilities in the field of education by funding and awarding scholarship, prizes, reward, allowances or other financial assistances to the students.

4. **Donation to old age homes, orphanages etc.**  
SHL has a policy of donation, grant and /or financial assistance to old age homes, orphanages or other establishment to provide relief to the poor, the destitute, the orphans, the widows, old age person and otherwise provided for them.

5. **Other activities as per Schedule VII of the Companies Act, 2013**  
SHL has policy to contribute in CSR activities as per schedule VII of the Companies Act, 2013. As of now we contribute as donation to Cow shelter towards animal welfare.

**The Composition of CSR Committee**

The Corporate Social Responsibility Committee was comprised of four members' viz. Mr. Rakesh Mohan, Mr. Ramesh Chander Khurana, Mr. B. P. Srinivasan and Dr. Lata Singh. till February 13, 2019.

Due to appointment of Mr. K.V. Rajan as Additional Director (Non-Executive, retire by rotation) w.e.f. February 13, 2019, Corporate Social Responsibility Committee was reconstituted with effect from February 13, 2019.

After reconstitution, as on March 31, 2019, the CSR Committee comprises of the following members:

**Composition:**

- |                                    |          |
|------------------------------------|----------|
| 1. Mr. Rakesh Mohan (ID)           | Chairman |
| 2. Mr. Ramesh Chander Khurana (ID) | Member   |
| 3. Dr. (Mrs.) Lata Singh (NED)     | Member   |
| 4. Mr. B.P. Srinivasan (NED)       | Member   |
| 5. Mr. K.V. Rajan, (NED)           | Member   |

**Secretary:** The Company Secretary of the Company shall act as Secretary of the Committee.

**Quorum:** 1/3<sup>rd</sup> of total strength of the committee or two members, whichever is higher.

**Meeting:** The CSR Committee shall meet whenever required as per the provision of Section 135 of the Companies Act 2013 and other applicable provisions read with rules made thereunder.

**Terms of reference, powers, roles and responsibilities:**

The Corporate Social Responsibility Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Section 135, read with rule made thereunder and Schedule VII of the Companies Act, 2013 or any amendment made there under, which may include the following:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act 2013;
2. Recommend the amount of expenditure to be incurred on the activities ,and
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

**Financial Details as sought by the Companies Act, 2013 for fiscal year 2018-19 are as under:-'**

Particular	Amount (INR)
Average net profit of the Company for last three financial years.	808.28 Lakh
Prescribed CSR Expenditure (two percent of average net profit as computed above)	16.17 Lakh
Unspent Amount of FY 2017 -18, which was decided by the CSR committee to be spent in FY 2018-19	7.91 Lakh
Total Amount including unspent amount of FY 2017-18 which need to be spent in FY 2018-19.	24.08 Lakh
Details of CSR spent during the financial year 2018-19:	
a. Total amount to be spent for the financial year	11.70 Lakh
b. Amount unspent, if any	12.38 Lakh

**Manner in which the amount spent during the financial year is detailed below:-**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project Or activity Identified.	Sector in Which the Project is Covered	Location of the Projects or Programmes coverage	Amount outlay (budget) project or programs wise	Amount spent on the projects Or programs	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
					Direct expenditure	Overheads:	
1	<b>Sanitation</b>	Promoting preventive healthcare and sanitation	Alwar, Rajasthan	15,25,000	324,743.68	324,743.68	<b>Swayam Program:</b> Training of TOT were conducted through Aakar Social Ventures, registered under Section 8 of the Companies Act, 2013 and Distribution and Awareness amongst villagers was implemented Direct
2	<b>Donation to Hospital</b>	Promoting Preventive Healthcare & providing medicines	Alwar, Rajasthan	180000	90,000.00	90,000.00	Direct





## SUNIL HEALTHCARE LIMITED

3	Donation to School	Promoting Education	Alwar, Rajasthan	204000	157,000.00		157,000.00	Direct
4	Donation to Old Age Homes	Promoting the setting up of old age homes, day care centers and such facilities for senior citizens	Alwar, Rajasthan	180000	1,80,000		1,80,000	Direct
5	Animal Welfare	Donating for cow fodder	New Delhi	319000	418,624.00		418,624.00	Implementing agency "International Centre for Women and Child" registered under Societies Registration Act 1860 on dated 17.05.1994
	<b>Total</b>			<b>2408000</b>	<b>11,70,367.68</b>		<b>11,70,367.68</b>	

1. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report-  
In spite of the adverse market conditions and liquidity stiffness, the Company had covered overall area of operation of CSR activities as approved by the CSR Committee and mentioned in the CSR Policy of the Company and could manage to spent Rs.11,70,367.68, which need appreciation from the Authority. Therefore, due to financial stiffness, the Company Could not spent Rs.12.38 lakhs in the financial year 2018-19.
2. The Statutory budget for FY 2019-20 towards CSR expenditure based upon Average profits of last three years is Rs. 10.49 lakhs.
3. We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitoring the implementation of the project and activities in compliance CSR objectives and Policy of the Company.

Mr. Anil Kumar Khaitan  
Chairman cum Managing Director  
DIN - 00759951

Mr. Rakesh Mohan  
Chairman of CSR Committee  
DIN - 07352915

Date : 30.05.2019  
Place: New Delhi

### Annexure-H To the board Report AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Sunil Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by Sunil Healthcare Limited ('the Company'), for the year ended March 31, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance, issued by the Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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 JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Registration No. 318086E

Place: New Delhi  
Date: May 30, 2019

Kuldeep Maloo  
Partner  
Membership No. 515708

**REPORT ON CORPORATE GOVERNANCE**

In compliance with Corporate Governance requirements as prescribed by SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 is set out below for information to stakeholders and investors of the Company.

The Management of the Company believes that the great companies are built on the foundation of good governance practices. Corporate governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory authorities and the community at the large.

**(1) Company's philosophy on code of Corporate Governance:**

In the context of modern business environment where the stakeholders are scattered all over the Country, the Company feels that their participation and involvement in the affairs of the Company can be achieved only through professional approach and better corporate Governance. The Company's philosophy of Corporate Governance is to ensure transparency in all dealing and maintain highest standard of professionalism, integrity, accountability, social responsibility, fairness, and business ethics. We consider ourselves as trustees of our shareholders and relentlessly attempt to maximize long-term shareholder value.

Your Company's Corporate Governance philosophy is based on the following principles:

- (1) Comply with all the applicable laws of the country.
- (2) Have simple and transparent corporate structure driven by business needs.
- (3) Management is the trustee of the shareholders capital.
- (4) Be transparent and to maintain high degree of disclosure levels.

The Company's Board and Senior Level Management comprise of individuals with rich experience and expertise across a range of disciplines including fasteners industry.

Your Directors confirm the practice of good Corporate Governance codes by the Company in true spirit. The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe and are pleased to present below the report on it.

**Disclosure of Information to Investors:**

Your Company ensures the timely disclosure of all material information in compliance with applicable laws.

**(2) Role of the Company Secretary in overall governance process:**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**(3) Board of Directors:-**

The Board of Director's guide, direct and oversee the management and protect long term interests of stakeholders, employees and society at large. The Board also ensures compliance of the applicable provisions, code of ethical standards and accurate financial reporting.

- A. The Board has an optimum combination of executive and non –executive directors including Independent Directors as per Regulation of 17 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 as on 31<sup>st</sup> March, 2019. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The composition of the Board are as under:-

S.N.	Name of the Director	Category#	No of share /% held in the Company	Attendance record		No. of other Directorship including Sunil Healthcare Limited ##	Memberships of Committees of other Companies including Sunil Healthcare Limited (a)	Chairman Ship of Committees of other Companies including Sunil Healthcare Limited (a)
				Board Meeting	Last AGM			
1	Mr. Anil Kumar Khaitan	Promoter, & ED (CMD)	59,42,494 (57.95%)	3	No	4	-	-

2	Mr. Sanjay Kumar Kaushik	NEID	NIL	3	No	3	2	-
3.	Mr. Ramesh Chander Khurana	NEID	NIL	4	Yes	2*	-	1
4.	Mr. Rakesh Mohan	NEID	Nil	3	No	6	1	2
5	Mr. B. P. Srinivasan	NED	NIL	4	No	1	1	-
6	Dr. Lata Singh	NED	NIL	4	Yes	1	-	-
7	Dr. Harish Pal Kumar**	NEID	NIL	1	No	3	1***	-
8	Mr. Krishna Venkatachalam Rajan ****	NED*	Nil	1	No	3	1	-

**Notes:**

- a) Committee includes Audit Committee and Stakeholder Relationship Committee of the Company.
- b) \*Mr. RC Khurana was appointed as Nominee Director (ND) on the behalf of Bank of India in Design Auto System limited and he has already retired from BOI but the name of his as a capacity of ND is still showing in the Company and not deleted by the aforesaid Company as on date. The matter was taken up Mr. RC Khurana with BOI and a letter was sent to ROC, Madhya Pradesh & Chhattisgarh to delete his name from the record of ROC.
- c) \*\* During the year Dr. Harish Pal Kumar was appointed as an Additional Director (Independent) with effect from 13.02.2019 for a period of 5 years subject to further approval of the shareholders in General Meeting.
- d) \*\*\*During the year Dr. H.P. Kumar was nominated as member of the Audit committee with effect from 13.02.2019.
- e) \*\*\*\*During the year Mr. (Amb.) K.V. Rajan was appointed as an Additional Director (Non-Executive, retire by rotation) with effect from 13.02.2019 subject to further approval of the shareholders in General Meeting.
- f) \*\*\*\*\*During the year Mr. (Amb.) K.V. Rajan was nominated as member of the Stakeholder Relationship Committee of the Company with effect from 13.02.2019.
- g) The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- h) # The full form of abbreviation used in category, are as under  
 CMD- Chairman & Managing Director;  
 ED- Executive Director;  
 NED- Non-Executive Director;  
 NEID- Non-Executive Independent Director
- i) ## including all public limited Companies, whether listed or not, private and foreign companies.
- B. Term of reference to the Board of Directors: The Company places before the Board, all relevant and necessary information for seeking the necessary approvals and directions on the operation and plans of the Company. The Board periodically reviews items required to be placed before it. Normally, the relevant informations, required to be placed before the Board of Directors as per Regulation 17(7) read with Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, are duly considered and taken on record/approved by the Board.
- C. Board Independence: - Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than the Chairman are Independent in terms of Regulation 16 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and Section 149(6) of the Companies Act, 2013.
- D. Familiarization Programme: All newly inducted independent directors on the Board are familiarized with the Company, nature of the industry in which the Company operates, his role, rights and responsibilities through appropriate familiarization programme prepared and adopted by the Board. The details of Familiarization is available on the website of the Company i.e <https://www.sunilhealthcare.com/investor-relations>.

- E. Skill/Expertise/competence of Board of Directors:-The Board of Directors of the Company bring to the fore a vast range of skills and experience from various fields, functions and sectors, which enhance the governance framework and Board decision making process. The Board had identified the following skills/area of expertise/competencies required in the context of the Company's business and its operations:

Area of expertise/competencies identified	Particulars
Corporate Governance	Protection of interest of all stakeholders by understanding the importance of transparency and implementing the same through board process.
Strategic planning, Business Development, Business operations, Sales and marketing	Expertise in framing strategy for growth of the company and having exposure in development of business relations, and management.
Global Prospective/Global Economics	Understanding global diverse business environment and regulatory framework.
General Management, HR and Leadership	General know how of business management, talent management and development, workplace health & safety.
Accounting & financial expertise	Understanding of Financial Statements, Budgeting, treasury operations, Audit, capital allocation and fund raising.

- F. The Board of Directors of the Company met four times during the year, with a maximum gap of 120 days between the two meetings. The Meeting of Board of Directors are usually held in Delhi or sometimes plant office at Alwar. During the financial year 2018-19, four Board meetings were held on 25.05.2018, 13.08.2018, 02.11.2018, 13.02.2019. The maximum gap between two Board Meetings was less than 120 days. The status on attendance of Directors in the meeting mentioned above in 2 (A).
- G. Board Performance Evaluation :-Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration and other committees as per the Board Evaluation policy, which is available at website of the company at web link <https://www.sunilhealthcare.com/wp-content/uploads/BOARD-EVALUATION-13082018.pdf>. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the outcome of the evaluation process.
- H. None of the directors of your Company are inter-se related to each other.
- I. None of the directors except Mr. Anil Kumar Khaitan, Chairman cum Managing Director of the Company has shareholding in the Company.

#### INDEPENDENT DIRECTOR MEETING

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulation, the Independent Directors are required to hold a separate meeting without the presence of Executive Directors or management personnel at least once in every year. The Independent Directors met on 13 February, 2019, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### (4) BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with

specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Board has currently established the following statutory and non-statutory Committees:-

- I. Audit Committee.
- II. Nomination & Remuneration Committee
- III. Stakeholder Relationship Committee
- IV. Corporate Social Responsibility Committee
- V. Risk Management Committee

(I) **Audit Committee:-**

Composition and Meeting

The Audit Committee met four times during the financial year 2018-19 on 25.05.2018, 13.08.2018, 02.11.2018 and 13.02.2019. The Composition of the Audit Committee of the Company and the attendance of each member/ director at said meeting are as under:

S. No	Members of Audit Committee	Category	No. of Meeting Held	No of Meeting attended
1	Mr. Ramesh Chander Khurana	Independent Director and Chairman of the Committee	4	4
2	Mr. B. P Srinivasan	Non-Independent Director	4	4
3	Mr. Sanjay Kumar Kaushik	Independent Director	4	3
4.	Mr. Harish Pal Kumar*	Additional Director (independent)	0	0

Note:

- Mr. Harish Pal Kumar, was appointed as Additional Director (Independent) w.e.f. 13.02.2019, Due to his appointment, the Audit Committee was reconstituted on February 13, 2019. After his appointment till end of Financial Year 2018-19, no meeting of the Audit Committee was held.
- Prior to reconstitution of Audit Committee on February 13, 2019, the Committee was comprised of three members viz. Mr. Ramesh Chander Khurana, Chairman, Mr. Sanjay Kaushik, Member, Mr. B.P. Srinivasan, Member.
- The Majority of Members of Audit Committee are Independent Directors.

**Terms and Reference of the Audit Committee:-**

The Audit Committee terms of reference, roles and responsibilities shall be as per Section 177 of the Companies Act, 2013 read with Rules 6 and 7 of the Companies (Meetings of the Board and its Powers) Rule, 2014 and other applicable provisions of the Companies Act, 2013 and Regulation 18 read with Schedule II of the SEBI (LODR) 2015 or any amendment therein., which may include the following:

- a) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible:
- b) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, internal auditor and fixation of audit fees and other terms of appointment and approval for payment of any other services;
- c) Reviewing with management the annual financial statement and auditor report thereon before submission to the Board for approval.
- d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function.
- f) Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
- g) Discussion with external auditors before the audit commences nature and scope of audit as well as has post audit discussion to ascertain any area of concern.
- h) Reviewing the Company's financial and risk management policies before submissions to the board for approval.
- i) Reviewing and monitoring auditor independence and performance, and effectiveness of audit process
- j) Approval of transaction with related parties

- k) scrutiny of inter corporate loans and investments
- l) Valuations and evaluations of internal financial control and risk management
- m) Monitoring the end use of funds raised by through public offers and related matters
- n) Valuation of undertaking or assets of the Company
- o) To review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- p) Review of system of prohibition Insider Trading.

(II) **Nomination & Remuneration Committee**

**Composition & Meeting**

The Nomination & Remuneration Committee met three times during the financial year 2018-19 on 25.05.2018, 27.07.2018 and 13.02.2019. The Composition of the Nomination & Remuneration Committee of the Company and the attendance of each members at said meeting was as follows:

Sr. No	Members of Nomination & Remuneration Committee	Category	No. of Meeting Held	No of Meeting attended
1	Mr. Rakesh Mohan	Independent and Chairman of the Committee	3	3
2	Mr. Sanjay Kumar Kaushik	Independent Director	3	3
3	Dr. Lata Singh	Non- Independent Director	3	3
4	Mr.(Dr.) Harish Pal Kumar	Additional Director (Independent)	0	0

- Mr. Harish Pal Kumar, was appointed as Additional Director (Independent) w.e.f. 13.02.2019, Due to his appointment, the Nomination and Remuneration Committee was reconstituted on February 13, 2019. After his appointment till end of Financial Year 2018-19, no meeting of the Nomination and Remuneration Committee was held.
- Prior to reconstitution of Nomination & Remuneration Committee on February 13, 2019, the Committee was comprised of three members viz. Mr. Rakesh Mohan, Chairman, Mr. Sanjay Kaushik, Member, and Dr.(Mrs.) Lata Singh, Member.
- The Majority of Members of Nomination & Remuneration Committee are Independent Directors.

**Terms of reference, Powers, roles and responsibilities:** The Nomination and Remuneration Committee terms of reference, powers, roles and responsibilities shall be as per Section 178 of the Companies Act, 2013 read with Rules made there under and Regulation 19 read with PARA A of PART D of Schedule II of the SEBI (LODR) 2015 or any amendment therein, which may include the followings:

1. Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board
2. Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
3. Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
4. Review and determine all elements of remuneration Executive Directors, key managerial personnel and other sr. employees
5. Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
6. Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
7. Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole

**Remuneration of Directors**

(i) **Remuneration to Non-Executive Directors**

The Non-executive Directors of the Company are paid remuneration by way of sitting fees not exceeding the limits prescribed under the Companies Act, 2013, only for attending the meetings of the Board of Directors and its Committees. Beside the sitting fees they are also entitled to reimbursement of out of pocket expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. At present Non-executive Director, whether Independent or Non-Independent are entitled to receive sitting fees of Rs. 8,500/- for attending per meeting of the Board or Committees after deducting TDS and exclusive of out of pocket expenses. The details of the Nomination and remuneration policy are available on the website of the Company i.e. [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link <https://www.sunilhealthcare.com/wp-content/uploads/NOMINATION-AND-REMUNERATION-POLICY-130820018.pdf>.

- (ii) **Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):**  
The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration of MD/WTDs are determined and paid in due compliance of the provisions of Companies Act, 2013. The Board determine the remuneration of the other KMPs and the SMPs at the time of their appointment and any subsequent increments shall also be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. Other terms like services contract, notice period and severances fees are decided as per the HR Policy of the Company. As a policy, the Executive Directors are neither paid sitting fee nor any commission. The details of the Nomination and remuneration policy are available on the website of the Company i.e. [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link <https://www.sunilhealthcare.com/wp-content/uploads/NOMINATION-AND-REMUNERATION-POLICY-130820018.pdf>.

Pecuniary Relationship with Non-Executive Directors: None of the Non-executive Directors has any pecuniary relationship or transactions with the Company except as per requirements of IND-AS24 are disclosed in the notes to accounts annexed to the financial statements.

The details of remuneration paid to all the Executive, Non -Executive Directors and Key Managerial Personal during the year ended 31<sup>st</sup> March 2019 are given below:-

S.No	Name	Salary & Allowances	Perquisites	Sitting Fees*	Total
1.	Mr. Anil Kumar Khaitan (Chairman cum Managing Director)	27,63,762.00	0	---	27,63,762.00
2.	Mr. Sanjay Kumar Kaushik (Independent Director)	-	-	85,000.00	85,000.00
4.	Mr. B. P. Srinivasan (Non -Independent Director)	-	-	85,000.00	85,000.00
5.	Mr. Ramesh Chander Khurana (Independent Director)	-	-	93,500.00	93,500.00
6.	Dr. Lata Singh (Non -Independent Director)	-	-	76,500.00	76,500.00
7.	Mr. Rakesh Mohan (Independent (Additional) Director)	-	-	76,500.00	76,500.00
8.	Mr.(Dr.) Harish Pal Kumar **	-	-	8,500.00	8,500.00
9.	Mr. (Amb.) K.V. Rajan ***	-	-	8,500.00	8,500.00
10.	Mr. D Gnanasekaran (Chief Executive Officer) ****	64,42,947.00	5,93,819.00	-	70,36,766.00
11.	Mr. Pawan Rathi (Chief Financial Officer)	25,79,700.00	0	-	25,79,700.00
12.	Mr. Santosh Kumar Sharma, AGM - Legal & Company Secretary)	16,65,504.00	0	-	16,65,504.00

**Note:-**

\*The sitting fees are subject to deduction of TDS @10%

\*\* Mr. (Dr.) Harish Pal Kumar was appointed as Additional Director (Independent) w.e.f. 13.02.2019.

\*\*\* Mr. (Amb.) K.V. Rajan was appointed as Additional Director (Non-executive) w.e.f. 13.02.2019.

\*\*\*\* Mr. D Gnanasekaran (Chief Executive Officer) was retired as CEO of the Company w.e.f. 31.03.2019.

**(III) Stakeholder Relationship Committee**

**Composition**

The Stakeholders' Relationship Committee is comprised of three Members viz Mr. Rakesh Mohan, Independent Director & Chairman, Mr. Sanjay Kumar Kaushik, Independent Director & Member and Mr. K.V. Rajan, Additional Director (Non-Executive) & Member. The Committee was reconstituted with effect from February 13, 2019 due to death of appointment of Mr. K.V. Rajan as Additional Director (Non-Executive) w.e.f. February 13, 2019. Prior to reconstitution date i.e. February 13, 2019 the stakeholder committee was comprised of Mr. Rakesh Mohan, Independent Director & Chairman and Mr. Sanjay Kumar Kaushik, as members of the Committee.

**Compliance Officer**

Mr. Santosh Kumar Sharma, Company Secretary has been appointed as Company Secretary & Compliance Officer with effect from February 12, 2018.

The Compliance officer is responsible for Redressal of investor complaints.

Terms of reference, Powers, roles and responsibilities: The Stakeholder Relationship Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Companies Act, 2013 Regulation 20 read with Para B of Part D of Schedule II of the SEBI (LODR) 2015 or any amendment in respective therein, which may include as under:



- Consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend issue of duplicate share / debenture certificates, etc;
- Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- Provide guidance and make recommendations to improve investor service levels for the investors.

**Investor Complaint**

During the financial year 2018-19, the following complaints were received through score portal and resolved to the satisfaction of shareholders. As on March 31, 2019, one (1) complaints was pending, which was resolved in the month of April 2019:

S.No.	Complaint at Scores quarter wise	Opening	Received	Resolved	Closing (Pending)
1.	Quarter 1 of financial year 2018-19 (April 01 to June 30, 2018).	0	0	0	0
2.	Quarter 2 of financial year 2018-19 (July 01 to September 30, 2018).	0	1	1	0
3	Quarter 3 of financial year 2018-19 (October 01 to December 31, 2018).	0	0	0	0
4	Quarter 4 of financial year 2018-19 (January 01 to March 31, 2019)	0	2	1	1*

\*The complaint was resolved on April 02, 2019

**Meeting:** During the financial year 2018-19, No meeting of the stakeholder Relationship was conducted.

**(IV) Corporate Social Responsibility Committee**
**Constitute and Composition**

The Corporate Social Responsibility Committee comprises of five Members viz Mr. Rakesh Mohan, Chairman, Mr. Ramesh Chander Khurana, Member, Dr. (Mrs.) Lata Singh, Member, Member, Mr. B.P. Srinivasan, Member and Mr. K.V. Rajan, Member as on March 31, 2019. The Committee was reconstituted with effect from February 13, 2019 due to appointment of Mr. K.V. Rajan as Additional Director (Non-Executive, retire by rotation) w.e.f. February 13, 2019. Prior to reconstitution date i.e. February 13, 2019, the CSR Committee was comprised of four members viz. Mr. Rakesh Mohan, Mr. Ramesh Chander Khurana, Mr. B. P. Srinivasan and Dr. Lata Singh. Mr. Rakesh Mohan, Independent Director is the Chairman of the Committee. During the year 2018-19 only two meeting of aforesaid Committee were held on 25.05.2018 and 13.08.2018 and all the members were present in the meeting.

The terms of reference of Corporate Social Responsibility Committee: The Corporate Social Responsibility Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Section 135, read with rule made thereunder and Schedule VII of the Companies Act, 2013 or any amendment made there under,

**which may include the following:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act 2013;
- Recommend the amount of expenditure to be incurred on the activities, and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

The Annual Report on CSR Activities is appended as Annexure G to this Board's Report. The details of CSR Policy of the Company also available on the website of the Company at [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link [https://www.sunilhealthcare.com/wp-content/uploads/CSRPoly\\_13082018.pdf](https://www.sunilhealthcare.com/wp-content/uploads/CSRPoly_13082018.pdf)

**(V) RISK MANAGEMENT COMMITTEE**
**Constitution**

As per the provision of Regulation 21 (5) of the SEBI (Listing Obligation & Disclosure Requirement), Regulation, 2015, the provision of aforesaid regulation of constitution of Risk Management Committee is not applicable on the Company but the Company has already constituted a Risk Management Committee in accordance with the erstwhile Listing Agreement. The details of the policy are available on the website of the Company i.e. [www.sunilhealthcare.com](http://www.sunilhealthcare.com). During the year no meeting of Risk Management committee was conducted.

**The objectives and scope**

- Oversight of risk management performed by the executive management;
- Reviewing the Risk Management Policy and framework in line with local legal requirements and SEBI guidelines
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle
- Defining framework for identification, assessment, monitoring, and mitigation and reporting of risks.

**Composition**

The Risk Management Committee comprises of three members' as on March 31, 2019 viz. Mr. Ramesh Chander Khurana, Chairman, Mr. Sanjay Kaushik, Member and Mr. Harish Pal Kumar, Member. The Committee was reconstituted with effect from February 13, 2019 due to appointment of Mr. Harish Pal Kumar as an Additional Director (Independent) w.e.f. February 13, 2019. Prior to reconstitution date i.e. February 13, 2019, The Risk Management Committee was comprised of 2 members Mr. Ramesh Chander Khurana as Chairman and Mr. Sanjay Kaushik as Member.

Terms of reference, powers, roles and responsibilities: The Risk Management Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Regulation 21 read the SEBI (LODR), 2015 and applicable provisions of the Companies Act, 2013 or any amendment made there under.

**(5) General Body Meetings**

1. The Annual General Meeting of the Company (AGMs) has been held at following places in the last three years as under:-

Financial Year	Venue	Day , Date & Time	Details of Special Resolution Passed
<b>44<sup>th</sup> AGM held for FY 2017-18</b>	Modi Hall, Ground Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, S IRI Institutional Area, August Kranti Marg, New Delhi-110016	<b>Friday, 31<sup>st</sup> August, 2018 at 3:00 p.m.</b>	No Special Resolution was passed.
<b>43<sup>rd</sup> AGM held for FY 2016-17</b>	Modi Hall, Ground Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, S IRI Institutional Area, August Kranti Marg, New Delhi-110016	<b>Tuesday, 26 September, 2017 at 3:00 p.m.</b>	No Special Resolution was passed.
<b>42<sup>nd</sup> AGM held for the FY 2015-16</b>	Modi Hall, Ground Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, S IRI Institutional Area, August Kranti Marg, New Delhi-110016	Wednesday, 28 September, 2016 at 3:00 p.m.	No Special Resolution was passed.

2. No Extra Ordinary General Meeting of the Company (EGMs) was held during the year.

3. No special resolution was passed through postal ballot during the Financial Year 2018-19.

4. In the ensuing Annual General Meeting certain resolution will be required to be passed as special resolution.

**(6) Means of Communication**

- Company website: Pursuant to regulation 46 of the SEBI (LODR) Regulations, 2015, the Company's website contains a separate dedicated section "Investors relation" where information sought by shareholders is available. The Annual report of the Company and quarterly / annually results of the Company apart from the details about the Company, Board of directors and Management, are also available on the website in a user friendly and downloadable form at [www.sunilhealthcare.com/investors relation](http://www.sunilhealthcare.com/investors relation).
- The quarterly unaudited results and the annual audited financial results are published in prominent daily Newspaper 'The Pioneer' in English, a leading National newspaper and in "The Pioneer" in Hindi, a regional newspaper.
- SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- Presentation made to Institutional Investor or to the analysts: - Such presentations and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company at [www.sunilhealthcare.com/investors relation](http://www.sunilhealthcare.com/investors relation).
- Uploading on BSE Listing Center and CSE: The quarterly and annually results, quarterly and annually compliances and all other corporate communications to the Stock Exchanges are filed electronically on BSE Listing Centre for BSE and send it through email to Calcutta Stock Exchange.

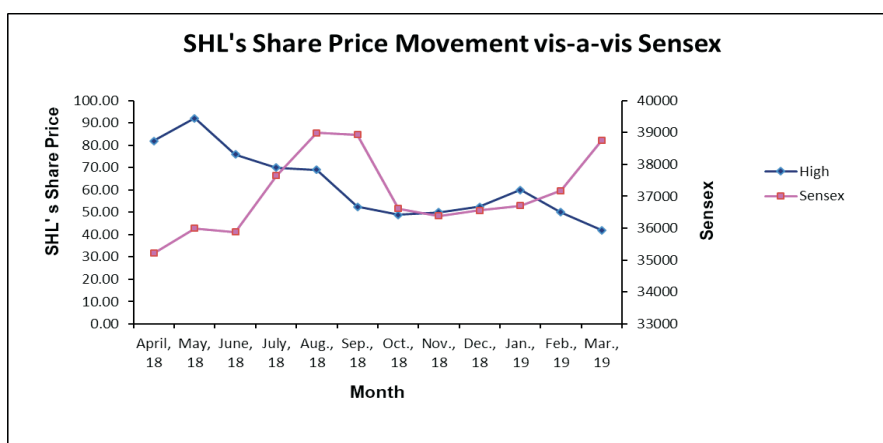
Annual Report: The Annual Report containing, inter-alia, Notice of Annual General Meeting, the audited financial statement (standalone & consolidated), Statutory Auditors report, Board Report alongwith all Annexures and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website <https://www.sunilhealthcare.com/investor-relations>.

**(7) General Shareholder's Information**

- (a) Annual General Meeting :-  
Day, Date, Time and Venue : The 45<sup>th</sup> Annual General meeting will be held on or before September 30, 2019. The announcement on exact day, date, time and venue will be made after approval of the Board in its meeting.
- (b) Financial Calendar
- (i) Financial Calendar:- (Actual)
- Financial Year : 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019
- 1<sup>st</sup> Quarterly Results : Results were published on August 13, 2018
- 2<sup>nd</sup> Quarterly Results : Results were published on November 02, 2018
- 3<sup>rd</sup> Quarterly Results : Results were published on February 13, 2019
- 4<sup>th</sup> Quarterly Results : Results were published on May 30, 2019
- (ii) Financial Calendar:- (Tentative)
- Financial Year : 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020
- 1<sup>st</sup> Quarterly Results : 2<sup>nd</sup> week of August, 2019
- 2<sup>nd</sup> Quarterly Results : 4<sup>th</sup> week of October, 2019
- 3<sup>rd</sup> Quarterly Results : 4<sup>th</sup> week of January, 2020
- 4<sup>th</sup> Quarterly Results : 3<sup>rd</sup> week of May, 2020
- (c) Dividend payment date : The Company did not declare any dividend.
- (d) Book Closure Date : The announcement of book closure date shall be made after approval of the board and shall be published in Newspaper and made available to the stock exchange and at website of the company.
- (e) Listing of Equity Shares on stock exchanges:
- Bombay Stock Exchange: \_ Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- Calcutta Stock Exchange: \_ 7, Lyons Rang, Kolkata-700 001
- (f) Scrip Code: 537253 ( SUNLOC) at BSE Limited
- (g) Listing and Custodian Fees :Listing and Custodian fees for the financial year 2019-20 were paid (Listing fees to Calcutta Stock Exchange and custodian fees to NSDL are being paid as on date of the Report)
- (h) There are no outstanding GDR's/ ADR's /Warrants or any Convertible instruments which would have any impact on the Equity.
- (i) Market Price Data: - High & Low during each month in the financial year 2018 - 19 are as under:

Month	High Price	Low Price	Total Turnover (Rs.)
Apr-18	82.00	66.50	23,05,099
May-18	92.10	65.00	78,16,974
Jun-18	75.90	56.10	21,93,752
Jul-18	69.90	53.05	11,79,467
Aug-18	69.00	47.35	36,26,226
Sep-18	52.40	37.65	19,02,443
Oct-18	48.85	37.10	13,23,795
Nov-18	49.95	38.20	62,00,084
Dec-18	52.50	46.00	31,82,825
Jan-19	60.00	43.25	47,54,514
Feb-19	50.00	33.00	21,05,736
Mar-19	41.90	30.15	11,50,783

(j) Stock Performance: The performance of your Company's shares relative to the S&P BSE Sensitive Index is given in the chart below:



Month	April, 18	May, 18	June, 18	July, 18	Aug., 18	Sep., 18	Oct., 18	Nov., 18	Dec., 18	Jan., 19	Feb., 19	Mar., 19
High Share Price	82.00	92.10	75.90	69.90	69.00	52.40	48.85	49.95	52.50	60.00	50.00	41.90
High Sensex	35213	35994	35877	37645	38990	38934	36617	36389	36555	36701	37172	38749

Note: The above chart depicts comparison of monthly high Sensex and SHL's Share price.

(k) Distribution of Shareholding and Shareholding Pattern  
Distribution of shareholding as on 31<sup>st</sup> March, 2019

No. of Shares Range	No. of Shareholders	% of Shareholders	Nominal value of Shares Held	% of Shareholding
1 to 100	4746	71.975	3000740	2.926
101 to 500	1404	21.292	3347630	3.264
501 to 1000	241	3.655	1824790	1.779
1001 to 5000	167	2.533	3413300	3.329
5001 to 10000	19	0.288	1356840	1.323
10001 to 20000	5	0.076	677660	0.661
20001 to 30000	3	0.045	779920	0.761
30001 to 40000	1	0.015	331880	0.324
40001 to 50000	0	0	0	0
50001 to 100000	0	0	0	0
100001 to 500000	5	0.076	9680790	9.44
500001 to ABOVE	3	0.045	78133950	76.193
<b>TOTAL</b>	<b>6594</b>	<b>100</b>	<b>102547500</b>	<b>100</b>



## SUNIL HEALTHCARE LIMITED

Shareholding Pattern as on 31<sup>st</sup> March, 2019

Categories	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoters/ Directors & their relatives including associates Companies and Person acting in concert.	3	0.04	7540305	73.53
Banks/Financial Institutions/ Insurance Companies/Mutual Funds etc.	7	0.10	10476	0.10
NRI's	61	0.96	29624	0.29
Other Corporate Body	66	1.03	812958	7.93
Clearing Member	2	.03	7882	.08
HUF	82	1.28	75669	.76
Indian Public	6162	96.54	1775142	17.31
<b>Total</b>	<b>6383</b>	<b>100</b>	<b>10254750</b>	<b>100.00</b>

- (l) Registrar & Transfer Agent: -Alankit Assignments Limited -RTA Division, Alankit Height 1E/13 Jhandelwala Extension New Delhi -110055, Tel: 91-114254 1234 Fax: 91- 11 4254 1201, 91-11 2355 2001, [www.alankit.com/info@alankit.com](http://www.alankit.com/info@alankit.com).
- (m) Share Transfer System  
Transfer of shares / debentures is processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. The matter is reviewed by the Board in its quarterly meetings. The Company has appointed M/s Alankit Assignment Limited as its Registrar & Share Transfer Agent for both physical and Demat segment of equity shares.
- (n) Dematerialization of Shares: - 97,80,259 shares of the Company are held in Demat form as on 31<sup>st</sup> March 2019 with NSDL/CDSL
- (o) ISIN NO:INE 671C01016
- (p) Corporate Identity Number (CIN): L24302DL1973PLC189662
- (q) Compliance officer Mr. Santosh Kumar Sharma- AGM Legal cum Company Secretary, F6817, email: [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com), Phone no. 011-49435555
- (r) Plant & Works Location: - 17/18 Old Industrial Area, Alwar-301001, Rajasthan
- (s) Address for Correspondence:-  
Works:17/18 Old Industrial Area, Alwar-301001, Rajasthan  
Regd off: 38E/252A, Vijay Tower, Shahpurjat, New Delhi- 110049  
R & T Agent- Alankit Assignments Limited -RTA Division, Alankit Height 3E/7 Jhandelwala Extension New Delhi -110055, Tel: 91-114254 1234 Fax: 91- 11 4254 1201, 91-11 2355 2001, [www.alankit.com/info@alankit.com](http://www.alankit.com/info@alankit.com)
- (t) Credit Rating: The details of credit rating assigned by CARE Ratings Limited, credit rating agency during the financial year 2018-19 are as under:

S.No.	Facilities/instruments	Amount (Rs. Crores)	Rating	Rating Action
1.	Long-term Bank facilities (Fund based)	28.00	CARE BBB-, Stable (Triple B minus, Outlook: Stable)	Reaffirmed
2.	Long-term Bank facilities (Term Loan)	-	-	Withdrawn#
3.	Short- term Bank facilities	18.90	CARE A3 (A Three)	Reaffirmed
<b>Total facilities</b>		<b>46.90 ( Rupees forty six crores and ninety lakhs only)</b>		

**Note:**

- # CARE has noted that the Company has settled the availed bank facilities. Taking cognizance of the fact, it has withdrawn the Rating during the financial year 2018-19 as compared to last year.
- During the financial year 2018-19, the company did not issue any securities, deposit, and commercial papers etc. which require credit rating by credit rating agency.

**(8) Disclosures**

- a) **Materially Significant Related Party Transactions:** During the year under review, no materially significant related party transactions was entered by the Company with any related party.

- b) **No penalties have been imposed** or strictures have been issued by SEBI or any other Stock Exchange or any other Statutory Authorities on matters related to capital market.
- c) **Whistle Blower Policy/ whistle Mechanism:** In line with the Companies Act, 2013, erstwhile Listing Agreement and SEBI (LODR) Regulations, 2015, the Company has formulated Vigil Mechanism/Whistle Blower to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and/ or reputation, in a secure and confidential manner. The said policy provides for adequate safeguard against victimization of directors/employees who avail of such mechanism and provides access to the Chairman of the Audit Committee, in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. The details of Whistle Blower Policy are available on the website of the Company [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link <https://www.sunilhealthcare.com/wp-content/uploads/2015/11/WHISTLE-BLOWER-POLICY-4.pdf>.
- d) The Company has complied with all the mandatory requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.
- e) **Determination of Material subsidy Policy:** - The Regulation 24 of the SEBI (LODR) Regulations, 2015 defines a 'Material Non-listed Subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or Net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or Net worth respectively, of the listed holding Company and its subsidiaries in immediately preceding accounting year.
- During the year under review, the Company does not have material subsidiary as per the criteria specified in Regulation 24 of the SEBI (LODR) Regulations, 2015. However, the Company has adopted a policy on material subsidiaries and the same is uploaded on the website of the Company i.e [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link at [https://www.sunilhealthcare.com/wp-content/uploads/2016/04/SHL\\_POLICY\\_OF\\_DETERMINING\\_OF\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.sunilhealthcare.com/wp-content/uploads/2016/04/SHL_POLICY_OF_DETERMINING_OF_MATERIAL_SUBSIDIARIES.pdf).
- Policy on dealing with related party transaction: The Company has framed Related Party Transaction policy, which can be accessed at weblink <https://www.sunilhealthcare.com/investor-relations/CorporateGovernance/Policy/Relatedpartytransactionpolicy>.
- f) **Certificate on Non-Disqualification of Director:** The Company has received a certificate from Practicing Company Secretaries that none of the Directors of the company are disqualified for continuing as Director in financial year 2019-20, and the same is enclosed as **Annexure - I**
- g) **Fees paid to Statutory Auditors:** The details of fees for all services paid by the company and its subsidiaries, on consolidated basis in Financial year 2018-19, to the statutory auditors are given as under:

S.No.	Name of Entity	relationship	Details of Services	INR (Rs.)
1.	Sunil Healthcare Limited	-	Statutory Audit fees	2,20,000.00
2.	Sunil Healthcare Limited	-	Tax Audit fees	66,000.00
3.	Sunil Healthcare Limited	-	Limited Review Report	1,35,000.00
4.	Sunil Healthcare Limited	-	Certification fees	1,05,000.00
5.	Sunil Healthcare Limited	-	Cash flow	22,000.00
6.	Sunil Healthcare Limited	-	Consolidation	55,000.00
7.	Sunil Healthcare Limited	-	Company Law matters	33,000.00
9.	Sunil Healthcare Limited	-	IND-AS (FY 2016-17)	1,00,000.00
10.	Sunil Healthcare Limited	-	MAT (calculation)	15,000.00
11.	Sunil Healthcare Limited	-	Travelling expenses	1,66,297.00
		Total		9,17,297.00

- h) **Disclosures in relation to the Sexual Harassment** of women at workplace (Prevention, Prohibition and Redressal) Act, 2013:- The company has in place a policy on Prevention of Sexual Harassment at workplace. During the financial year 2018-19 the company did not receive any complaint of the Sexual Harassment. For further details in this regard, kindly refer to the Board's Report forming part of this Annual Report.
- i) **CEO and CFO Certification:** - The Chief Executive Officer and the Chief Financial Officer of the Company gave annual certification on the financial reporting and internal control to the Board in pursuant to regulation 17 (8) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and the same is published in this report as **Annexure- J**.
- j) **Code for Prevention of Insider Trading:** -The Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

- k) **Disclosure of Non-Compliance:-** There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years except the following penalty imposed by Regional Director, MCA, due to delay in filing of the Satisfaction of the charges in financial year 2018-19:

Offence	Penalty (INR)
For delay of 358 days in filing of Form CHG-4 for satisfaction of Charge ID no. 10338526 with UCO Bank	2000
For delay of 317 days in filing of Form CHG-4 for satisfaction of Charge ID no. 10568638 with HDFC Bank	4000
For delay of 333 days in filing of Form CHG-4 for satisfaction of Charge ID no. 80021614 with UCO Bank	5000

- l) **Code of Conduct:** In compliance with regulation 26 (3) of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and Companies Act 2013, the Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence. A copy of the Code has been put on the Company's website [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link for code of conduct of Employee at <https://www.sunilhealthcare.com/wp-content/uploads/2015/11/CodeofConductforEmployees.pdf> and at web link for code of conduct of Directors <https://www.sunilhealthcare.com/wp-content/uploads/2015/11/Code of Conduct for Directors.pdf>.

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended 31st March, 2019. A declaration to this effect signed by Managing Director forms part of this Report.

- m) **Prevention of Insider Trading:** In terms of the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015, effective from 15.05.2015, the Board of Directors of the Company has adopted the Code of Practices and Procedure and Code of Conduct for fair disclosure of unpublished price sensitive information. The object of this code is to protect the interest of the shareholders at large, to prevent misuse of any price sensitive information and to prevent ant insider trading activity by dealing in shares of the Company by the Directors, designated employees and other employees of the Company. The Board is responsible for implementation of the Code. All Board Directors and the designated and other employees have confirmed compliance with the Code. This code is strictly adhere to. The Insider Code is available on the companies' website [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at weblink at <https://www.sunilhealthcare.com/wp-content/uploads/2015/11/Code of Conduct for Directors.pdf>.
- n) **Policies :-** The Company had made the following policies in addition to that which are mentioned in this report as per the requirement of the Companies Act-2013, SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, and erstwhile Listing Agreement :
- Prevention of Sexual Harassment of the Employee at Work Place Policy, a web link <https://www.sunilhealthcare.com/wp-content/uploads/PreventionOf-SEXUAL-HARRASMENT-POLICY02112018.pdf>
  - Preservation and Archival of Documents Policy, which can be accessed at weblink [https://www.sunilhealthcare.com/wp-content/uploads/2016/04/SHL\\_POLICY\\_ON\\_PRESERVATION\\_OF\\_DOCUMENTS.pdf](https://www.sunilhealthcare.com/wp-content/uploads/2016/04/SHL_POLICY_ON_PRESERVATION_OF_DOCUMENTS.pdf)
  - Policy for determination of material subsidiaries can be accessed at weblink [https://www.sunilhealthcare.com/wp-content/uploads/2016/04/SHL\\_POLICY\\_OF\\_DETERMINING\\_OF\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.sunilhealthcare.com/wp-content/uploads/2016/04/SHL_POLICY_OF_DETERMINING_OF_MATERIAL_SUBSIDIARIES.pdf)
  - Board Evaluation policy, which can be accessed at <https://www.sunilhealthcare.com/wp-content/uploads/BOARD-EVALUATION-13082018.pdf>.
  - Related Party Transaction policy, which can be accessed at weblink <https://www.sunilhealthcare.com/investor-relations/CorporateGovernance/Policy/Relatedparty transaction policy>
- o) **Disclosure On Website :-** Following information has been disseminated on the website of the Company at [www.sunilhealthcare.com](http://www.sunilhealthcare.com):



- i. Details of business of the Company
  - ii. Terms and conditions of appointment of Independent Directors
  - iii. Composition of various Committees of Board of Directors
  - iv. Code of Conduct for Board of Directors and Senior Management Personnel
  - v. Details of establishment of vigil mechanism/ Whistle Blower policy
  - vi. Criteria of making payments to Non-Executive Directors (Mentioned in the Annual Report)
  - vii. Policy on dealing with Related Party Transactions
  - viii. Policy for determining 'material' subsidiaries
  - ix. Details of familiarization programmes imparted to Independent Directors
  - x. Details of Grievance Redressal officer and email address.
  - xi. Contact information of the designated officials, who are responsible for handling investor grievances.
  - xii. Financial informations eg. Notice of board meeting, financial results, outcome of the board meeting and complete Annual report
  - iii. Shareholding pattern
  - xiv. Credit Rating
  - xv. Policy for determination of materiality of events
  - xvi. Board Evaluation policy
- (9) **Compliance**
- The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance for the year ended 31.03.2019 as required by Schedule V of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, Is annexed with Annexure H with the Board's Report and forms a part of the Annual Report, The said certificate is sent to the Members and Stock Exchanges along with this Annual Report of the Company.
- (10) **Non-mandatory requirements prescribed in SEBI (LORD) Regulations, 2015:**
- The Company has complied with all mandatory requirements of Regulation SEBI (LORD) Regulations, 2015. The Company has also adopted following non-mandatory requirements:
1. **Reporting of Internal Auditor**
- The Internal Auditor is directly reporting to members of the Audit Committee in respective Audit Committee Meeting.

On behalf of the Board

**Anil Kumar Khaitan**  
Chairman cum Managing Director  
Din-00759951  
Place :- New Delhi  
Dated -30.05.2019

Reg. Office:  
38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049  
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## MANAGEMENT DISCUSSIONS &amp; ANALYSIS REPORT:

**1. OVERVIEW:**

Sunil Healthcare limited, having plant at Alwar; Rajasthan for manufacture of Empty Hard Gelatin capsules shell, HPMC and Pullulan Capsules shell. The company has commenced its manufacturing operation in the year 1976 with installed capacity of 200 million Hard Gelatin Capsule Shell, with gradual expansion, recently in the 4<sup>th</sup> quarter of financial year 2017-18, the total installed capacity is raised 13 billion capsules p.a. Your company is also in food division since 2013 and during the financial year 2018-19, the food division had contributed 0.36% in total revenue of the Company.

**2. INDUSTRY OUTLOOK:**

The product of the Company Hard Gelatin Capsule Shell is used by Pharmaceutical and Food supplement Companies as a container for administering medicines and food supplements. Therefore, the growth of the industry is dependent on the growth of pharmaceutical and food supplement companies domestically and globally.

The committee set up in March 2017 under the Chairmanship of Mr. C.K. Kokate, submitted its report in December 2017 and recommended against the labelling by use of green/red dots to indicate its origin for information of the patients, as it commented that drugs is taken because of compulsion and not because of choice, hence proposal to compulsory switch over to HPMC capsules from The Gelatin capsule was rejected.

So, the scope of growth of market for both gelatin and HPMC capsules are tremendous.

As per estimates the pharma industry currently employs about 5.5-5.7 lakh people. In spite of prevailing challenges in the Indian pharma sector, 58,000 additional job opportunities are likely to be created as the industry is expected to grow up to 45 per cent by 2025.

**Executive Summary**

Indian pharma industry is expected to grow at 11-13 per cent in financial year 2019-20. The Huge opportunity for jobs in pharma sector is visible as Indian Pharma Sector is expected to grow up to 45% by end of year 2025. The exports are expected to reach US\$ 20 billion by 2020.

India is benefited with blockbuster drugs companies going off patent and exclusive marketing right which aided the growth for Indian Export formulation period during 2011-12 to 2015-16, however due to wholesale consolidation in US market and rising competition, it had impacted substantially the formulation export players in the financial year 2016-17 and 2017-18 as well, leading to a flat growth rate during the fiscal year 2017-18.

Further, As per CRISL Research, Indian Pharmaceutical sector is expected the growth to recover to 6-6.5% CAGR during FY18 to FY23, aided by new launches by large players in the conventional generics segment. Though pricing pressure in the base business is expected to continue in the US market, it is expected to be less severe from 2019 onwards. Competitive intensity in the US market has peaked out in 2017 and the situation is seen improving.

As per CRISIL Research, Indian Pharmaceutical industry to register growth of 12-13% as rising lifestyle-related diseases and expansion in healthcare penetration due to Ayushman Bharat would boost volume growth. However, the government is likely to continue to keep a hold on pricing. The chronic segment would see faster growth than the acute segment. However, high numbers of cancer related drugs being introduced under NLEM would offset an incremental growth in the segment

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025.

India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 19.14 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

**Introduction**

Indian pharma industry is expected to grow at 11-13 per cent in financial year 2019-20. The Huge opportunity for jobs in pharma sector is visible as Indian Pharma Sector is expected to grow up to 45% by end of year 2025. The exports are expected to reach US\$ 20 billion by 2020.

Globally as well as in India, the pharmaceutical industry is rapidly undergoing changes. The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. India enjoys an important position in the global pharmaceuticals sector.

Installed capacity of Empty Hard Gelatin Capsule in India is 100 billion capsule p.a.

India is largest exporter of pharma formulation globally by volume of 14% market share and 12<sup>th</sup> in export value.

## Advantage for Indian Pharmaceutical Industry:

In India, manufacturing cost is very much competitive as compared to western countries Pharmaceutical Industry. The advantage to Indian Pharmaceutical Industry is shown as under with the help of chart:



*Note: \*Top 10 companies as per research by HDFC Securities, R&D – Research & Development*

The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms. The UN-backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine Tenofovir Alafenamide (TAF) for 112 developing countries.

### Market Size

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 19.14 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

The Pharmaceutical sector is expected to generate 58,000 additional job opportunities by the year 2025.

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025

### Investments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 15.98 billion between April 2000 and March 2019, according to data released by the Department of Industrial Policy and Promotion (DIPP).

### Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- ✓ Between Jul-Sep 2018, Indian pharma sector witnessed 39 PE investment deals worth US\$ 217 million.
- ✓ Investment (as % of sales) in research & development by Indian pharma companies\* increased from 5.3 per cent in FY12 to 8.5 per cent in FY18.
- ✓ In 2017, Indian pharmaceutical sector witnessed 46 merger & acquisition (M&A) deals worth US\$ 1.47 billion
- ✓ The exports of Indian pharmaceutical industry to the US will get a boost, as branded drugs worth US\$ 55 billion will become off-

patent during 2017-2019.

**Government Initiatives**

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- In October 2018, the Uttar Pradesh Government announced that it will set up six pharma parks in the state and has received investment commitments of more than Rs 5,000-6,000 crore (US\$ 712-855 million) for the same.
- benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalization. The programme was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

**Road Ahead**

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others. Pharma sector's revenues are expected to grow by 9 per cent year-on-year through fiscal 2020.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

**3. OPPORTUNITIES:**

Even as the Indian Pharmaceutical Industry is groping with the product patent resume in force the domestic companies could leverage the emerging opportunities in the changed scenario to evolve into the global Pharma outsourcing world capital in the near future. Domestic Pharma Companies will increasingly be looking to consolidate across the value chain by partnership or merging with companies that have complimentary strength. The thrust of the company is to increase its exports to the maximum extent and increase its market share in growing domestic market. Indian pharma companies are capitalizing on export opportunities in regulated and semi-regulated markets. And it is expected that due to patent off of many companies the export from India will grow, new affordable pharmaceutical product will be invented for sustainable growth of Indian Pharmaceutical industry.

**4. CHALLENGES:**

Competition in the global market is a common phenomenon for any industry. The company is also facing the same but is quite competent to handle the competition successfully. In the domestic the numbers of players are increasing and the capacity is also increasing, but market demand is also gradually increasing. The main challenges is to cope up with price war situation.

**5. COMPANY OUTLOOK:**

Your company is 2<sup>nd</sup> largest producer of Empty Hard Gelatin Capsules (EHGC) in India and Pioneer in double lock and triple lock technology for capsules in India. The Company had started production of HPMC Capsule in August 2018 and in short span of time the sales brought in from HPMC have led to better performance. The Company had also started production of Pullulan Capsules.

Your Company is a Certified Empty Hard Gelatin capsules shell, HPMC and Pullulan Capsules shell Manufacturer in India providing the premium quality capsules to the clients. Your Company was certified by the WHO-GMP, ISO 9001:2015, ISO 14001:2015, ISO 18001:2007, ISO 22000:2005, Halal, and Kosher & USFDA for our quality standards. We manufacture the capsules at our state-of-the-art manufacturing unit under the observation of the scientific experts. The materials that we employ in the production obtained from the authorized vendors of the industry. Our capsules are 100% natural and safe as we have tested them on the predefined industrial international norms. Our quality experts ensure the best locking attributes which make the capsules perfect for any use.

Your company have Global Presence with Subsidiaries in USA and Mexico during the year.

The company is WHO-GMP certified Company and recognized Star Export House. With four decades of experience, and a strong

brand equity "Sunloc", the company is a preferred vendor for large pharmaceutical companies. The company was the pioneer of double lock and Triple lock technology in India. With a strong focus on R & D, the company is constantly innovating its product line to cater to the industry requirements. The management is optimistic about the future outlook of the company in short, medium and long-term. The Company deals in Business segment of Manufacturing Empty Hard Capsule Shells and the size available is 00, 0SEL, 0EL, 0, 1, 2, 3, 4, 5. This segment the company has reached to installed capacity of 13 million capsules at the existing facility. Our Presence in Over 30 Countries across the Globe. The management of the company Continued focus on achieving cost optimization and yield improvements through Economies of Scale. The company also renewed interest in the business with an aim to become top 3 manufactures of Empty Hard Gelatin Capsules shell in world.

The Company has forayed into the Food Business. Sunloc food is a division of Sunil Healthcare Limited. Sunloc foods offer a host of product ranging from food products, procurement of raw and processed Edible Nuts e. g. cashew nuts. During the Financial years 2018-19, the food segment had contributed 0.39% in overall turnover of the Company.

**6. RISK CONCERNS:**

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee. Detailed report on Risk Analysis is a part of this Annual Report. The details of the Risk management policy are available on the website of the company i.e [www.sunilhealthcare.com](http://www.sunilhealthcare.com).

**7. INTERNAL CONTROL SYSTEM AND ADEQUACY:**

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorisation of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances. The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

**8. FINANCIAL PERFORMANCE:**

Sunil Healthcare reported Gross Revenues from operation ₹ 8124.10 lakhs, EBITDA of ₹ 1270.52 lakhs, Profit Before Tax (PBT) to ₹ 25.03 and Profit after Tax (PAT) ₹ 17.78 Lakhs in the FY 2018-19.

The comparative analysis of financial analysis with previous financial year are as under:]

(₹ in Lakh)

Highlights	2018-19	2017-18	% Change
Total Production (Capsules In Millions)	10766	9597	12.18%
Total Sales ( Capsules in Millions)	10286	9593	7.22 %
Revenue from Operations	<b>8124.10</b>	<b>9022.48</b>	(9.95%)
Profit before Interest, Dep. & Tax	1270.52	1670.31	(23.93%)
Finance Cost	671.60	503.05	33.50%
Depreciation	<b>573.89</b>	<b>478.25</b>	19.99%
Profit Before Tax	25.03	689.01	(96.37%)
Profit After Tax	17.78	532.39	(96.66%)
Earnings per share (In Rs.)	<b>0.17</b>	<b>5.19</b>	(96.72%)

- Sales: - There was decrease in the revenue from operation in the current year by 9.95%.
- Profit Before Interest, Depreciation and Tax: - PBIDT was decreased by 23.93 % for the year over the previous financial year.
- Finance Cost: -There was increase in the finance cost by 33.50% as compared to previous financial year
- Net Profit: - The net profit decreased by 96.66 % as compared to previous year.
- EPS:- The EPS was decreased by 96.72 % as compared to previous financial year

**9. HUMAN RESOURCES:**

The well-disciplined workforce which has served the company for 44 years lies at the very foundation of the company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance. The Company maintained healthy, cordial and harmonious industrial relations at all levels.

Despite severe competition, the enthusiasm and unstinting efforts of the employee have enabled the Company to remain at the forefront of the industry.

In today's comparative world where creativity and innovation are increasingly becoming important, development of Human Resource is the call of the day. The Company is taking various steps to develop the skills and enhance the knowledge of the human resource which include the following:

- Comprehensive and user friendly Performance Management System has been implemented to create a result oriented culture.
  - Development needs have been identified through Performance Management System. These needs are being fulfilled through various training programmes and lectures by internal as well as external faculty.
  - Regular Training programmes are conducted comprising behavioral and technical programme.
- Total 187 numbers of Employees are on roll of the company as on March 31, 2019.

#### 10. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONGWITH EXPLANATIONS:

Ratios	Variation as compared to previous years with reason
Debtors Turnover	No significant changes in Debtor Turnover ratio in FY 2018-19 as compared to FY 2017-18.
Inventory Turnover	During the Financial year 2018 -19 Inventory Turnover was less than 41.8 % as compared to Previous financial year 2017 -18 on account of deferred sales from FY 2018-19 to FY 2019-20.
Interest Coverage Ratio	During the Financial year 2018 -19, Interest coverage ratio is decreased by 56 % as compared to FY 2017 -18, on account of increase in cost of raw material by 12% alongwith erosion in sale price by 6%.
Current Ratio	No significant changes in Current Ratio in FY 2018 -19 as compared to FY 2017 -18.
Debt Equity Ratio	No significant changes in Debt Equity Ratio in FY 2018 -19 as compared to FY 2017-18.
Operating Profit Margin (%)	During the Financial year 2018 -19, Operating Profit Margin was decreased by 43.6% as compared to FY 2017-18, on account of increase in cost of raw material by 12% alongwith erosion in sale price by 6%.
Net Profit Margin (%)	During the Financial year 2018-19, Net Profit Margin was decreased by 96.2% as compared to FY 2017 -18, on account of increase in cost of raw material by 12% alongwith erosion in sale price by 6%.
Return on Net worth	During the Financial year 2018-19, Return on Net worth was decreased by 96.7% as compared to FY 2017 -18, on account of increase in cost of raw material by 12% alongwith erosion in sale price by 6%.

#### 11. QUALITY INITIATIVE

##### A) Our Quality policy is:

"We shall produce capsules for customer's delight by continual focused improvement plans"

We maintain a consistent quality of our product as per the norms of WHO-GMP. To maintain the stringent quality norms, we have modern quality Control Laboratory equipped with latest equipment's and qualified persons operate them. Our Quality Assurance works hand in hand with our production to ensure products of customer's requirement

The Company is registered with US FDA, which reflects standard of its quality. The Company has received the following certification in quality, which shows further, its quality standards:

ISO – 9001:2008-EMS 14001:2004 -EMS 18001:2007 OH&SM 22000:2005-OHSAS

Facility – WHO-GMP GMP-NSF / IPEC / ANSI 363 DMF TYPE IV

Product – Kosher Halal MSDS TGA ,Australia.

Process – GDP 5S Certificates.

Awards – Pharmexcil , Govt of India Business Excellence Award 2015

Healthcare Leadership Award from ABP News | One Star Export House Award 2016-17



**B) QUALITY FOCUS:** Your Company had adopted below quality control measures at its plant in overall production process till final disposal for making its capsules defect free:



- Internationally accepted measures;
- TPAM, 5 S, Jishu Hozen across production line;
- Six sigma for process control;
- Stringent in process quality checks;
- Statistical sampling and testing;
- Hourly Checks.



- Stringent quality Compliance measures adopted for zero defect capsules;
- Process R & D: Industry Leader for efficient utilization of primary Raw materials;
- Automatic Inspection Machines for automated visual Inspection.

## 12. INFORMATION TECHNOLOGY

We are using modern technology available for improvement of Business processes across the functions by automating the routine administration tasks and creating various knowledge management databases. The Company also has its web site [www.sunilhealthcare.com](http://www.sunilhealthcare.com) to provide all the details about the Company and its product. The Company has successfully migrated its operations on the SAP. Through strict vigilance aided by controls and alerts, the Company aims to further improve its operations, bring in greater efficiencies, and further tighten internal controls and systems

## 13. CAUTIONARY STATEMENT:

Statement in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, protections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those either.

On behalf of the Board

**Anil Kumar Khaitan**  
Chairman cum Managing Director  
Din-00759951  
Place :- New Delhi  
Dated -30.05.2019

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38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049  
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Website: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

1. Consolidated FDI Policy, Department for Promotion of Industry and Internal Trade (DPIIT), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council, AIOCD-AWACS, IQVIA.
2. Information available at <https://www.crisil.com/en/home/our-analysis/reports/2017/09/sector-report-pharmaceuticals.html>
3. Information available at <https://www.ibef.org/industry/pharmaceutical-india.aspx>
4. <https://www.livemint.com/Industry/Biiffg6MY8cdkjrREHdsWN/Panel-nixes-proposal-to-use-only-vegetarian-capsules-for-dru.html>
5. <http://employmentnews.gov.in/NewEmp/MoreContentNew.aspx?n=InDepthJobs&k=156>
6. Top 10 companies research by HDFC Securities.



**RISK ANALYSIS****Risk Identification**

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The probable material effects of an uncertain environment (both internal as well as external) on business goals are identified. The factors which could affect the performance vis-à-vis the stated objectives are determined.

Each and every activity is analyzed and the internal and external forces acting on them along with the negative resultant which could possibly surface is identified where internal factors are perceived to be the drivers, adequate policy – procedure checks are installed within the business processes for earlier recognition and corrective measures to overcome the same. In case of external drivers, a continuous cost benefit analysis is done to take a proactive approach and safe guard the business outcome on a substantial basis.

**Risk Management and Control**

It involves prioritization and assessment of risks, which hinder the achievement of the Company's goals and to devise appropriate controls to mitigate these risks, then evaluating and reviewing the control mechanism and redesigning it from time to time in the light of its effectiveness. The Company ensures sensitivity to detect risk, ensuring flexibility to respond to risk and ensuring capability of resources to mitigate risk.

**Market related Risk****Competitors**

The Company is expecting to derive a good part of its revenues from outside India, by entering new overseas markets and by expanding its customers base in the countries which it already has its presence.

Within India, the Company' have an extensive marketing network and Company's Brand Name 'SUNLOC' have significant goodwill among the customers.

The Company is optimistic that with its quality product and good customer relations will enable it to enhance its presence in its chosen markets.

**Concentration Risk****Dependence on few customers.**

The Company is pursuing a two-pronged risk minimization strategy increasing revenues from key customers on an absolute basis but decreasing their proportion in the Company's overall revenues. Further the Company is trying to add some new customers.

The Company is concentrating on serving a rationalized customer base in the domestic market accompanied by higher satisfaction and retention levels as an effective counter to the new entrant in the business.

In the international market the Company intends to focus on select geographical areas to begin with leading to a disproportionate business concentration. The Company is moving to unserved geographies and would continue to explore new markets across the globe, with wider customer base. The proportion of a particular customer should not be more than 35% of the total revenue from Domestic or Exports business at any point of time

**Business segments**

The Company deals in Business segment of Manufacturing Hard Gelatin Capsule Shells. During the year 2017-18, installed capacity was increased to 13 billion capsules per year. The Company has forayed into the Food Business last year and during the year 2017-18, it has contributed 8% of the total turnover of the company.

**Geographical Concentration of business.**

During the year total Exports was for about 31.67 % of the Company's revenues which includes the capsules and food business.

During current fiscal the Company is expecting to increase its exports sales share in total company's revenue. During the year the Company is exploring new area for increasing their presence in global market.

Within India, the Company enjoys a major presence in all geographical segments; North and West India contributing a major part of the Company's revenues because of the sheer size of this market and logistics convenience.

**Financial Risk****Business Process**

The Company's management reviews all the operational data on regular basis to assess and manage risks and controls related to business processes and financial disclosures. The database is regularly updated and data mining and continuous monitoring is done to mitigate the potential risks associated with financial behavior of business.

**Foreign currency risk**

In the Current year about 50 % of the Company's revenue from capsules and food business is expected from export, any fluctuation in which could have an impact on the Company's top line as well as bottom line. The Company has laid down standard operating procedures to de-risk itself against currency volatility and out sources expert advice whenever required.

**Receivables Management Risk**

The Company has a defined credit policy duly approved and reviewed by the Management from time to time, which is strictly monitored. The policy categorically stipulates the extension of credit only on a selective basis after a thorough customer evaluation. In most of the cases, dispatch is made after adequate securitisation and any default is not likely to have a significant effect on the company's total profitability.



**Payable Management Risk**

The Company has defined credit policy duly approved and reviewed by the Management from time to time which is strictly monitored for its suppliers. The Company is developing its new supplier/service providers on continuous basis so that for each item or service Company must have more than one supplier/customer to mitigate any risk associated therein. Contract for supply or material/service is also in place with supplier/service provider for short term to long term basis.

**Strategic Risk****Proprietary risks/ contingencies**

The Company has initiated adequate insurance covers to hedge against natural risks in the business. These are assessed on a regular basis and the Company takes the best possible coverage of insurance from the well-established public and private sector insurance companies.

**Operational Risks****Cost Competitiveness**

The Company has invested in large, world-class plants to encash economics of scale to enhance quality and reduce costs. Short term to long term contracts have been made with its suppliers/service provider to mitigate the risk of increasing inflation.

**Manpower related risks**

The Company values its employees as main driver of sustainable growth. In view of this, it has instituted defined roles and responsibilities across various levels accompanied by robust systems to ensure appropriate information flow and better productivity. Skilled manpower for the manufacturing and marketing functions is abundantly available. The Company enjoys a fair blend of youth and experience; it has a prudent mix of a competent and experienced Board as well as young and energetic operational team. Team building and motivation oriented activities are in place to build a highly motivated team with positive mindset.

**Inventory Risk**

The Company has defined its inventory in three categories – Vital, Essential and Desirable (VED) with minimum inventory level of each item has been defined and duly placed in ERP software commensurate with the above mentioned three categories. Regular monitoring to keep the minimum inventory without effecting the business operation is also in place.

**Raw Material & Energy Risk**

In the present competitive business scenario the risk of good quality and uninterrupted supply of raw material and energy within reasonable rate is vital. The Company has short term to long term contracts with raw material suppliers to ensure good quality and uninterrupted supply of material within in reasonable rate.

**Compliance Risks****Contractual risks**

The Company is exposed to possible liabilities that could arise from the non-performance of certain contractual conditions. Presently the Company doesn't foresee any such risk as Company has established a review and documentation process for contracts.

Each contract to be executed by or on behalf of the Company requires vetting from the Company's legal and secretarial department before execution. While vetting contracts, the department evaluates the legal risk involved and ascertains legal responsibilities.

**Compliance and Environmental risks**

The Company is committed to being a responsible corporate citizen and respects the laws and regulations of the countries in which it operates. The Company has an informed and proactive legal cell, which ensures compliance with various statutes. Besides, it also takes advice from reputed law firms from time to time. The legal cell advises the Company on various compliance issues and ensures their alignment with the laws of jurisdiction as well as to the territory where the Company operates. The Board reviews the detailed Compliance Report on quarterly basis. The Board reviews the detailed Compliance Report on quarterly basis. The Company has cloud based compliance software where all the compliance related detail are in place to get the timely alert from the software perse to complete the compliance before the due dates.

The Company also recognizes the need for sustainability with a minimal impact on the ecology and environment. In view of this, the Company makes continuous investments in treating effluents. These investments result in compliance with the most progressive global standards.

**Cautionary Statement**

This report on risk management provides the details of the risk which may be faced by the Company. Risks detailed here are not exhaustive but are for information purposes only. The actual risks faced by the Company in future may vary substantially from those outlined herein. Some of the statements written herein are forward looking and should not be construed as a guarantee of performance. The readers must exercise their own due diligence before forming any opinion based on this report.

On behalf of the Board

**Anil Kumar Khaitan**

Chairman cum Managing Director

Din-00759951

Place :- New Delhi

Dated -30.05.2019

Reg. Office:

38E/252A, Vijay Tower, Shahpurjat, New Delhi - 110049

CIN No: L24302DL1973PLC189662

Phone No: +91-11-49435555/00 Fax no 011-43850087

Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)

Website: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

**Annexure I****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****To,****The Shareholders,**

M/s. Sunil Healthcare Limited  
 38E/252A-Vijay Tower, 3<sup>rd</sup> floor,  
 Panchsheel Commercial Complex,  
 Shahpur Jat, New Delhi-110049

**Sub: CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****Ref: Regulation 34 (3) and Schedule V part C clause (10) (i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

In our Opinion and to the best of our information and according to the verifications and examination of the disclosures received under Section 184/189, 170, 164 and 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, [www.mca.gov.in](http://www.mca.gov.in), as considered necessary and explanations furnished by the Company and its officers, we certify that none of the Directors on the Board, mentioned hereunder, have been debarred or disqualified from being appointed or continuing as Director of company by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

S.No.	Name of Director	Designation	Director Identification No. (DIN)
1.	Mr. Anil Kumar Khaitan	Chairman & Managing Director	00759951'
2.	Mr. Ramesh Chander Khurana	Director (Independent)	00017354'
3.	Mr. Rakesh Mohan	Director (Independent)	07352915
4.	Mr. Sanjay Kaushik	Director (Independent)	00329013'
5.	Dr. (Mrs.) Lata Singh	Director (Non-executive)	06947846'
6.	Mr. B.P. Srinivasan	Director (Non-executive)	02543837'
7.	Dr. (Mr.) Harish Pal Kumar	Additional Director (Independent)	01826010
8.	Mr. Krishna Venkatachalam Rajan	Additional Director (Non - Executive)	02777067

This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of certificate.

For JAIN SHARMA & ASSOCIATES  
 Company Secretaries,

Sd/-  
 FCS TARA CHAND SHARMA  
 PROPRIETOR  
 FCS No.:5749  
 CP No.: 4078



## SUNIL HEALTHCARE LIMITED

### Annexure J

To  
The Board of Directors,  
SUNIL HEALTHCARE LIMITED  
New Delhi  
Dear Sir(s),

### CEO/CFO CERTIFICATE UNDER REGULATION 17 (8) FOR FINANCIAL YEAR 2018-19

We have examined the compliance of conditions of Corporate Governance of Sunil Healthcare Limited, having its registered office at 38 E/ 252-A, Vijay Tower, Shahpurjat, New Delhi-110049 for the year ended 31<sup>st</sup> March 2019 as stipulated in Regulation 17 (8) of SEBI ( Listing Obligation & Disclosure Requirement) , Regulation, 2015 (Listing Regulation) of the Said Company with Stock Exchange.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the officials of the Company, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March 2019 and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year 31<sup>st</sup> March 2019 are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:-
  - (i) There are no significant changes in internal control over financial reporting during the year;
  - (ii) There are no Significant changes in accounting policies during the year and
  - (iii) There are no Instances of fraud /significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For SUNIL HEALTHCARE LIMITED.**

Place : New Delhi  
Date : 30.05.2019

**ANIL KUMAR KHAITAN**  
(Chairman & Managing Director)

**Pawan Rathi**  
(Chief Financial Officer)

### DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT

To,

Sunil Healthcare Limited  
38E/252-A,  
Vijay Tower, Shahpurjat  
New Delhi-110049

Pursuant to the requirements of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of Sunil Healthcare Limited have affirmed compliance with the Code of Business Conduct and Ethics for the year ended 31<sup>st</sup> March, 2019.

Place : New Delhi  
Date: May 30, 2019

**ANIL KUMAR KHAITAN**  
(Chairman & Managing Director)  
DIN-00759951

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Sunil Healthcare Limited  
Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of Sunil Healthcare Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**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. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements

S.N.	Key Audit Matter	Auditor's Response
1.	<b>Revenue Recognition</b> For the financial year ended 31 March, 2019, the Company has recorded revenue amounting to Rs. 8124.10 Lakhs. The accounting policies for revenue recognition are set out in Note 2.13 to the financial statements and the different revenue streams of the Company have been disclosed in Note 25 to the financial statements. We have identified sales cut-off to be significant because of the high volume of transactions and the varying sales, contractual, commercial and billing terms. Revenue recognition is susceptible to the higher risk that the revenue is recognised when the control of goods has not been transferred to the customers.	<b>How our audit addressed the key audit matter:</b> We assessed the overall sales process and the relevant systems and the design of controls over the capture and recording of revenue transactions. We have tested the effectiveness of controls on the processes related to revenue recognition relevant to our audit. We performed sample testing on revenue and checked that the revenue recognition criteria are appropriately applied. We have also performed cut-off tests to ensure the Company has complied with proper cut-off procedures and revenue is recognized in the appropriate accounting period. <b>Our Observation:</b> We found the Company's revenue recognition to be consistent with its accounting policy as disclosed in Note 2.13 to the financial statements. We are satisfied that the Company's revenue has been appropriately recognized and in the relevant accounting period.

S.N.	Key Audit Matter	Auditor's Response
2.	<b>Valuation of inventories</b> We refer to Note 6 and 2.14 to the financial statements. As at March 31, 2019, the total carrying amount of inventories was Rs. 1509.12 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.	<b>How our audit addressed the key audit matter:</b> We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. <b>Our Observations:</b> We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditor's report.

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 financial statements or our knowledge obtained in the 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.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 paragraphs 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, the Statement of Change in Equity 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 Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;
  - 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 due which were required to be transferred, to the Investor Education and Protection Fund by the Company

For JKVS & Co.  
(Formerly Known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
Membership No. 515708

Place: New Delhi  
Date: May 30, 2019

**Annexure A**

referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Sunil Healthcare Limited)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of plant, property and equipment.
- (b) The Company has a regular programme of physical verification of its plant, property and equipment by which plant, property and equipment are verified in a phased manner over a period of three years. In accordance with this programme, Property, Plant and Equipment were not physically verified during the year. In our opinion programme of physical verification with reference to frequency need to be improved.
- (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) The management has conducted physical verification of inventories during the year at reasonable interval and no material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loan to a body corporate covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loans are not, prima facie prejudicial to the interest of the Company. This loan and interest thereon are repayable on demand however it was informed to us that no demand for repayment of loan and interest was made during the year. The Company has not granted any loan to Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (iv) The Company has complied with provisions of Section 186 of the Act in respect of loan given during the year. According to information and explanations given by the management, no loan or guarantee or security under section 185 and no investment made, guarantee given or security provided under section 186 of the Act during the year.
- (v) The Company has not accepted any deposits covered under section 73 to 76 of the Companies Act'2013 during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.  
b. According to the records of the Company there are no dues outstanding on account of Income-tax, Sales-tax, Value Added Tax, Service Tax, Duty of customs, Duty of excise and Cess on account of any dispute.
- (viii) The Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any borrowing from Government and dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans were applied for the purpose for which loans were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (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 directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For JKVS & Co.  
(Formerly Known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
Membership No. 515708

Place: New Delhi  
Date: May 30, 2019



**ANNEXURE B****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 with reference to standalone financial statements of Sunil Healthcare Limited ("the Company") as of March 31, 2019 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 the 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. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 as 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 of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial controls with reference to financial statements**

Because of the inherent limitations of Internal Financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject

to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over the 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, however same need to be further strengthened.

For JKVS & Co.  
(Formerly Known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
Membership No. 515708

Place: New Delhi  
Date: May 30, 2019



## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited  
Standalone Balance Sheet as at 31st March, 2019  
(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Notes No	As at 31st March, 2019	As at 31st March, 2018
<b>Assets</b>			
Non-current assets			
Property, Plant and Equipment	2	6,850.16	7,064.19
Capital work-in-progress	2	246.95	18.53
Other Intangible assets	2 A	32.26	27.96
Financial Assets			
(i) Investments	3	23.52	23.01
(ii) Other financial assets	4	82.23	177.10
Other non-current assets	5	2.87	7.79
Current assets			
Inventories	6	1,509.12	974.27
Financial Assets			
(i) Trade receivables	7	4,137.71	4,797.57
(ii) Cash and cash equivalents	8	98.43	65.18
(iii) Bank balance other than (ii) above	9	158.36	401.88
(iv) Loans	10	27.67	-
(v) Other financial assets	11	220.31	155.32
Current Tax Assets (net)	12	39.28	8.66
Other current assets	13	551.57	537.38
<b>Total Assets</b>		<b>13,980.44</b>	<b>14,258.84</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity Share Capital	14	1,025.48	1,025.48
Other Equity	15	3,888.48	3,854.21
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	1,276.13	1,829.72
Provisions	17	111.19	200.59
Deferred tax liabilities (Net)	18	608.57	604.27
Current liabilities			
Financial liabilities			
(i) Borrowings	19	3,915.51	3,858.41
(ii) Trade payables	20		
Total Outstanding dues of Micro enterprises and Small enterprises		49.69	59.69
Total Outstanding dues of Creditors other than Micro enterprises and Small enterprises		2,224.31	1,728.40
(iii) Other financial liabilities	21	538.56	556.28
Other current liabilities	22	224.82	489.89
Provisions	23	108.55	48.23
Current tax liabilities (Net)	24	9.15	3.67
<b>Total Equity and Liabilities</b>		<b>13,980.44</b>	<b>14,258.84</b>
Significant Accounting Policies and Other Notes on Financials Statements.	1-45		
The accompanying notes are an integral part of the Financial Statements.			

As per our report of even date

For JKVS & Co.  
(Formerly known as Jitendra K Aganwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

ANIL KHAITAN  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN No. 00759951

R.C. KHURANA  
DIRECTOR  
DIN No. 00017354

SANTOSH KUMAR SHARMA  
COMPANY SECRETARY  
FCS No. 6817

PAWAN RATHI  
CHIEF FINANCIAL OFFICER



## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited  
Standalone Statement of Profit & Loss for the Year Ended 31st March, 2019  
(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>I. REVENUES</b>			
Revenue from Operations	25	8,124.10	9,022.48
Other Income	26	74.33	200.13
<b>Total Revenues (I)</b>		<b>8,198.43</b>	<b>9,222.61</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	27	3,497.93	2,870.27
Purchases of Stock in Trade		54.17	759.64
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	28	(538.03)	(11.89)
Employee Benefits Expenses	29	1,276.78	1,223.87
Finance Costs	30	671.60	503.05
Depreciation and Amortization	2	573.89	478.25
Other Expenses	31	2,637.06	2,710.41
<b>Total Expenses (II)</b>		<b>8,173.40</b>	<b>8,533.60</b>
<b>III. Profit before Tax (I-II)</b>		<b>25.03</b>	<b>689.01</b>
<b>IV. Tax Expenses:</b>	18		
(1) Current Tax			
Current Year		14.92	87.19
For earlier year		(5.61)	22.96
(2) Deferred Tax	18	(2.06)	46.47
<b>V. Profit for the year (III-IV)</b>		<b>17.78</b>	<b>532.39</b>
<b>VI. Other Comprehensive Income</b>			
(1) Items that will not be reclassified to profit & loss			
Remeasurement of defined benefit plan		22.84	0.31
Tax relating to remeasurement of defined benefit plan		(6.36)	(2.49)
<b>Total Other Comprehensive Income for the year (VI)</b>		<b>16.48</b>	<b>(2.18)</b>
<b>VII. Total Comprehensive Income for the year (V+VI)</b>		<b>34.26</b>	<b>530.21</b>
<b>VIII. Earnings per Equity Share of Rs. 10/-Per share</b>	32		
Basic		0.17	5.19
Diluted		0.17	5.19
Significant Accounting Policies and Other Notes on Financial Statements.	1-45		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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CHAIRMAN CUM MANAGING DIRECTOR  
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PAWAN RATHI  
CHIEF FINANCIAL OFFICER



## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited  
Standalone Cash Flow Statement for the Year ended 31st March, 2019  
(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. Cash Flow From Operating Activities</b>		
Profit before Tax	25.03	689.01
Adjustment for :		
Finance Costs	671.60	503.05
Depreciation and Amortization Expenses	573.89	478.25
(Profit)/Loss on Sales/Discarded of Property, Plant and Equipment	(0.29)	0.49
Interest Income	(16.41)	(24.47)
Fair valuation of Investments	(0.51)	-
Provision for Impaired Credit	45.00	-
Liabilities/ Provisions no longer required written back	(4.43)	(60.74)
Unrealised (gain)/loss foreign currency transactions and translation	(19.63)	(19.96)
Operating profit before working capital changes	1,274.25	1,565.63
Changes in working Capital:		
(Increase)/Decrease in Inventories	(534.85)	80.10
(Increase)/Decrease in Trade and other Receivables	645.82	(1,146.53)
Increase /Decrease in Trade and other payable	156.17	135.74
Cash generation from Operation	1,541.39	634.94
Payment of Direct Taxes	(34.45)	(144.08)
Net Cash generated/ (used) - Operating Activities	1,506.94	490.86
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment, Intangible Assets and Capital work in progress	(558.53)	(1,566.28)
Sale of Property, Plant and Equipment	7.53	0.37
Investment in Subsidiary	-	(13.01)
Purchase of Current investment	-	(10.00)
Loan to Subsidiaries	(27.67)	-
Movement in Fixed Deposits	243.52	(157.56)
Interest Received	27.36	10.90
Net Cash Generated/ (Used) - Investing Activities	(307.79)	(1,735.58)
<b>C. Cash Flow from Financing Activities</b>		
Receipts from Non Current Borrowings	1,354.04	1,006.68
Repayment of Non Current Borrowings	(1,911.82)	(458.98)
Receipts/ (Repayment) of Current Borrowings (Net)	(356.90)	1,101.29
Loan from director	414.00	-
Finance Cost Paid	(665.22)	(487.47)
Net Cash Generated/ (Used) - Financing Activities	(1,165.90)	1,161.52
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	33.25	(83.20)
Add : Opening Cash and Cash Equivalents	65.18	148.38
Closing Cash and Cash Equivalents	98.43	65.18
Components of Cash & Cash equivalents		
Cash in hand	1.94	2.50
Balances with Schedule Banks		
In Current Accounts	96.49	62.68
	98.43	65.18

Note:

Amendment to Ind AS 7:

Effective 01st April, 2017, the amendment to Ind AS 7 require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment did not have any material impact on the Statement of Cash Flows.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

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## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited

Standalone Statement of Change in Equity for the Year Ended March 31, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :				
Balance at the beginning of the year	10,254,750	1,025.48	10,254,750	1,025.48
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	10,254,750	1,025.48	10,254,750	1,025.48
(b) Other Equity				
Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Capital Redemption Reserve	Retained earnings	Remeasurement of defined benefit plans	
Balance at April 1, 2017	7.50	3,347.29	(30.79)	3,324.00
Profit for the year	-	532.39	-	532.39
Other Comprehensive Income for the year	-	-	(2.18)	(2.18)
Total Comprehensive Income for the year	-	532.39	(2.18)	530.21
Balance at March 31, 2018	7.50	3,879.68	(32.97)	3,854.21
Profit for the year	-	17.78	-	17.78
Other Comprehensive Income for the year	-	-	16.48	16.48
Total Comprehensive Income for the year	-	17.78	16.48	34.27
Balance at March 31, 2019	7.50	3,897.46	(16.48)	3,888.48

Capital Redemption Reserve: It represents the amount transferred on redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: It represents profits earned by the Company after payment of dividend to shareholders.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date  
For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

ANIL KHAITAN  
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## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

### 2 (i) Property, Plant and Equipment

Particulars	Leasehold Land	Buildings	Plant and Equipment	Electric Installations	Furniture and Fixtures	Office Equipments	Vehicles	Total	Capital in Progress
Gross Block									
As at 1st April 2017	1,041.86	452.49	3,880.34	209.01	257.57	30.06	493.28	6,364.61	12.38
Additions	-	76.38	1,386.22	56.37	70.21	8.35	0.17	1,597.70	11.72
Deduction/ Capitalization	-	-	-	-	-	0.93	-	0.93	5.57
As at 31st March 2018	1,041.86	528.87	5,266.56	265.38	327.78	37.48	493.45	7,961.38	18.53
Additions	-	16.04	272.98	51.34	14.49	5.15	0.03	360.03	245.44
Deduction/ Capitalization	-	0.07	13.00	-	-	-	-	13.07	17.02
As at 31st March 2019	1,041.86	544.84	5,526.54	316.72	342.27	42.63	493.48	8,308.34	246.95
Accumulated Depreciation									
As at 1st April 2017	-	21.03	308.26	26.74	31.97	5.74	31.99	425.73	-
Additions	0.01	21.67	323.06	24.77	32.42	7.05	62.55	471.53	-
Deduction/ Adjustments	-	-	-	-	-	0.07	-	0.07	-
As at 31st March 2018	0.01	42.70	631.32	51.51	64.39	12.72	94.54	897.19	-
Additions	0.01	24.15	410.46	27.01	34.89	7.75	62.55	566.82	-
Deduction/ Adjustments	-	0.01	5.82	-	-	-	-	5.83	-
As at 31st March 2019	0.02	66.84	1,035.96	78.52	99.28	20.47	157.09	1,458.18	-
Net block									
As at 31st March 2018	1,041.85	486.17	4,635.24	213.87	263.39	24.76	398.91	7,064.19	18.53
As at 31st March 2019	1,041.84	478.00	4,490.58	238.20	242.99	22.16	336.39	6,850.16	246.95

Note:

(i) Assets pledged and Hypothecated against borrowings: (Refer note no.19 and 16)

(ii) Vehicle Includes Rs. 327.75 lakhs (31st March 2018- Rs. 337.96 Lakhs) carrying amount are hypothecated against the finance scheme from banks.

(iii) Addition to Plant & Machinery includes foreign exchange loss capitalised Rs. 46.17 Lakhs (31 March 2018- Rs. 2.20 Lakhs ) arising on long-term foreign currency monetary items existing as on April 01, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

### 2A Intangible Assets

Particulars	Software	Software -SAP	Patent	Total
Gross Block				
As at 1st April 2017	1.46	16.19	20.43	38.08
Additions	1.52	-	-	1.52
Deduction/ Adjustments	-	-	-	-
As at 31st March 2018	2.98	16.19	20.43	39.60
Additions	11.17	0.20	-	11.37
Deduction/ Adjustments	-	-	-	-
As at 31st March 2019	14.15	16.39	20.43	50.97
Accumulated Depreciation				
As at 1st April 2017	0.27	4.22	0.42	4.91
Additions	0.55	4.14	2.04	6.73
Deduction/ Adjustments	0	-	-	-
As at 31st March 2018	0.82	8.36	2.46	11.64
Additions	0.88	4.15	2.04	7.07
Deduction/ Adjustments	-	-	-	-
As at 31st March 2019	1.70	12.51	4.50	18.71
Net block				
As at 31st March 2018	2.16	7.83	17.97	27.96
As at 31st March 2019	12.45	3.88	15.93	32.26

Note

(i) Patent is pending for registration with respective department.



## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

#### Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

		As at	
		31st March, 2019	31st March, 2018
3	<b>Investment</b>		
	<b>A. Investment in Equity Instruments (Unquoted, fully paid up) measured at cost</b>		
	<b>Subsidiary Companies</b>		
	2,999 Equity Shares (31st March, 2018- 2999)		
	of MXP 1 per each of Sunil Healthcare Mexico SA.De. CV.	0.10	0.10
	2,000 Equity Shares (31st March, 2018-2000)		
	of USD 10 per each of Sunil Healthcare North America LLC	12.91	12.91
	<b>B. Investments in Mutual Fund (Unquoted) (valued at fair value through profit &amp; loss)</b>		
	1,00,000 Units (31st March, 2018-100000 units)	10.51	10.00
	of Rs. 10 each of SBI Dual Advantage Fund- Series XXIV & XXVI- Regular		
	<b>a. Aggregate amount of investments are given below:</b>	<b>23.52</b>	<b>23.01</b>
	Aggregate book value of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Aggregate book value of unquoted investments	23.52	23.01
	Aggregated amount of impairment in value of investment	-	-
	<b>b. None of the above investments are listed on any stock exchange in India or outside India.</b>		
4	<b>Other non current financial assets</b>		
	<b>(Unsecured, Considered Good Unless Stated Otherwise)</b>		
	Security Deposits	80.45	70.66
	Deposits against Guarantee / Margin money	1.78	106.44
		<b>82.23</b>	<b>177.10</b>
5	<b>Other non-current assets</b>		
	Capital Advances	0.06	6.88
	Prepaid Expenses	2.81	0.91
		<b>2.87</b>	<b>7.79</b>
6	<b>Inventories</b>		
	<b>(Valued at Lower of Cost and Net Realisable Value)</b>		
	<b>(As taken, Valued and Certified by the Management)</b>		
	Raw materials	112.67	172.84
	Work in progress	516.07	346.48
	Finished goods	568.17	199.60
	Capsule - Scrap	7.08	3.48
	Stores and spares	305.13	251.87
		<b>1,509.12</b>	<b>974.27</b>



a. Inventories are hypothecated to secure current borrowings. Refer to Note No. 19.

**7 Trade receivables**

Unsecured Considered Good	785.45	562.43
From Related Parties (Refer note no. 38)	3,352.26	4,235.14
From Others	45.00	-
Unsecured Considered credit impaired	4,182.71	4,797.57
Less : Allowances for credit losses	45.00	-

**8 Cash and cash equivalents**

Balances with Banks	96.49	62.68
On Currents Accounts	1.94	2.50
Cash on hand	98.43	65.18

**9 Other Bank Balances**

Deposits against Guarantee / Margin money	160.08	508.26
Less: Transfer to Other Non-Current Financial Assets (More than 12 months)	1.78	106.44
Deposit with Post Office	158.30	401.82
	0.06	0.06

**10 Loans**

<b>(Unsecured, Considered Good Unless Stated Otherwise)</b>	<b>158.36</b>	<b>401.88</b>
Loan to Subsidiary Company (Refer note no. 38)	27.67	-
	27.67	-

**11 Other current Financial assets**

Accrued Interest	15.52	26.47
Other receivables	30.11	13.87
Advance to Subsidiary Companies (Refer note no 38)	118.90	111.67
Derivative Assets	-	3.31
Security deposits	55.78	-

**12 Current Tax assets (Net)**

Income tax [net of provision]	39.28	8.66
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**13 Other Current Assets**

Prepaid Expenses	40.56	33.08
Export Incentive Receivable	166.16	171.98
Other Advances	324.06	249.14
Balance with Government Authorities	7.83	52.61
Others *	12.96	30.57
	551.57	537.38



## SUNIL HEALTHCARE LIMITED

\* Others includes advance against expenses, advance to employees and misc. receivable.

14	<b>Equity Share Capital</b>		
A.	<b>Authorized, Issued, Subscribed and Paid-up Share Capital</b>		
	<b>Authorized:</b>		
	10800000 (31st March 2018 - 10800000) Equity Shares of Rs 10/-each.	1,080.00	1,080.00
	20000 (31st March 2018 - 20000) Redeemable Cumulative Preference Shares of Rs 100/- each	20.00	20.00
	<b>Issued:</b>	<b>1,100.00</b>	<b>1,100.00</b>
	10254750 (31st March 2018 - 10254750) Equity Shares of Rs 10/-each	1,025.48	1,025.48
	<b>Subscribed and Paid-up:</b>	<b>1,025.48</b>	<b>1,025.48</b>
	10254750 (31st March 2018 - 10254750) Equity Shares of Rs 10/- each fully paid-up	1,025.48	1,025.48
		<b>1,025.48</b>	<b>1,025.48</b>

B. Reconciliation of Shares outstanding at the beginning and at the end of year are given below:

	2018-19		2017-18	
	Numbers	Rs in Lakhs	Numbers	Rs in Lakhs
Equity Shares outstanding at the beginning of the year	10254750	1,025.48	10254750	1,025.48
Equity Shares outstanding at the end of the year	<b>10254750</b>	<b>1,025.48</b>	<b>10254750</b>	<b>1,025.48</b>

C. **Terms/Right, Preferences and Restrictions attached to equity shares**

Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holder of equity share will be entitled to receive remaining assets of the Company after preferential distribution. The distribution will be in proportion to the number of equity shares held by the share holders. There is no restriction on distribution of dividends. However same is subject to the approval of the shareholders in the Annual General Meeting.

D. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

Name of shareholder	As at 31/03/2019		As at 31/03/2018	
	No. of Shares held	Percentage of Holding	No. of Shares held	Percentage of Holding
Mr. Anil Kumar Khaitan	5942494	57.95%	5,942,494	57.95%
M/S Magnum Computer Private Limited	1327211	12.94%	1,327,211	12.94%
M/S SNK Executive Search Pvt Ltd	543690	5.30%	543,690	5.30%

15	<b>Other Equity</b>		
(i)	<b>Capital Redemption Reserve</b>		
	Balance at the beginning of the year	7.50	7.50
	Addition/ (Transfer) during the year	-	-
		<b>7.50</b>	<b>7.50</b>
(ii)	<b>Retained Earnings</b>		
	Balance at the beginning of the year	3,879.68	3,347.29
	Add: Profit during the year	17.78	532.39
		<b>3,897.46</b>	<b>3,879.68</b>
	<b>Total Reserve and Surplus (i to ii)</b>	<b>3,904.96</b>	<b>3,887.18</b>
(iii)	<b>Other Comprehensive Income</b>		
	Balance at the beginning of the year	(32.97)	(30.79)
	Other comprehensive income/(loss) during the year	16.48	(2.18)
		<b>(16.48)</b>	<b>(32.97)</b>
	<b>Total Other Equity</b>	<b>3,888.48</b>	<b>3,854.21</b>

16	<b>Non current borrowings</b>		
	<b>Secured</b>		
	<b>Term Loans</b>		
	From Banks	-	6.87
	From Body Corporates	1,188.55	513.85
	<b>Vehicle Loans</b>		
	From Banks	215.56	193.99
	<b>Buyer's/Supplier's Credit</b>	-	1,294.34
	<b>Unsecured</b>		
	<b>Term Loans</b>		
	From Body Corporates	187.90	195.13
		<b>1,592.01</b>	<b>2,204.18</b>
	<b>Less: Current Maturities of Non Current Borrowings</b>		
	<b>Secured</b>		
	<b>Term Loans</b>		
	From Banks	-	6.87
	From Body Corporates	132.51	196.37
	<b>Vehicle Loans</b>		
	From Banks	75.91	61.35
	<b>Unsecured</b>		
	<b>Term Loans</b>		
	From Body Corporates	107.46	109.87
		<b>315.88</b>	<b>374.46</b>
		<b>1,276.13</b>	<b>1,829.72</b>

**Notes:**
**A. Security**

Term loans are secured by specific movable or immovable plant, property and equipment, purchased against specific loan. The same is also personally guaranteed by Chairman cum Managing Director and a relative.

**B. Repayment of term loans and Rate of interest**

- 1 Rupee term loans of Rs. 1188.55 Lakhs (31st March 2018 - Rs. 513.85 lakhs) from body corporates carries interest rate ranging 12.30% to 13.95% per annum, is repayable in 39 monthly installments from April 2019.
- 2 Buyer's/Supplier's Credit of nil (31st March 2018 - Rs. 1294.34 Lakhs), equivalent to aggregate of nil (31st March 2018 equivalent to aggregate of USD 20.05 lakhs) carries interest rate of 2.16% per annum which converted into term loan during the year
- 3 Vehicle loan of Rs. 215.56 Lakhs (31st March, 2018 - Rs. 193.99 lakhs) carries interest rate ranging 9 % to 15% per annum, is repayable in 60 monthly installments from April 2019.
- 4 The unsecured term loans of Rs. 187.90 Lakhs (31st March 2018 - Rs. 195.13 lakhs) from body corporates carries interest rate ranging 17%- 18.25% per annum, is repayable in 35 equal monthly installments from April 2019.

17	<b>Non current provisions</b>		
	Employees Benefits	111.19	200.59
19	<b>Current borrowings</b>	<b>111.19</b>	<b>200.59</b>
	<b>Secured</b>		
	<b>Working Capital Facilities from Banks (a)</b>		
	Cash Credit	3,163.71	3,253.41
	Buyer's Import Credit	-	513.30
	<b>From a Body Corporate (b)</b>	337.80	91.70
		<b>3,501.51</b>	<b>3,858.41</b>
	<b>Un Secured</b>		
	From Director (refer note no. 38)	414.00	-
		<b>414.00</b>	<b>-</b>
		<b>3,915.51</b>	<b>3,858.41</b>
	Note:		
	(a) Working Capital Loan is Secured by first charge by way of hypothecation on the entire stock of inventories, receivables, bills, and other chargeable current assets of the company (both present and future) and extension of first mortgage / hypothecation charge on the entire Property, Plant and Equipment of Company except those non current assets financed by the body corporates. The same is also personally guaranteed by Chairman cum Managing director and a relative.		
	(b) Secured under Key Man Insurance Policy taken for Key management personnel in earlier years and is repayable on demand.		
20	<b>Trade payables</b>		
	Total Outstanding dues of Micro enterprises and Small enterprises (Refer note. No. 42)	49.69	59.69
	Total Outstanding dues of Creditors other than Micro enterprises and Small enterprises	2,224.31	1,728.40
		<b>2,274.00</b>	<b>1,788.09</b>
21	<b>Other current financial liabilities</b>		
	Current Maturities of Non Current Borrowings	315.88	374.46
	Interest Accrued	48.19	41.81
	Capital Creditors	174.49	140.01
		<b>538.56</b>	<b>556.28</b>
22	<b>Other Current Liabilities</b>		
	Statutory dues	50.05	336.25
	Advances from customers	15.01	36.65
	Accruals to employees and others	159.76	116.99
		<b>224.82</b>	<b>489.89</b>
23	<b>Current provisions</b>		
	Employees Benefits	108.55	48.23
		<b>108.55</b>	<b>48.23</b>
24	<b>Current Tax Liability(net)</b>		
	Current Tax Liability [net of Advance Tax]	9.15	3.67
		<b>9.15</b>	<b>3.67</b>



## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

#### 18 Deferred tax liabilities (net)

##### A. Movement in deferred tax balances

Particulars	As at 1st April 2017	Recognized in P&L	Recognized in OCI	As at 31st March, 2018	Recognized in P&L	Recognized in OCI	As at 31st March, 2019
Deferred Tax Liabilities							
Property, plant and equipments	717.68	(9.55)	-	708.13	78.09	-	786.22
Fair Value of Investment	-	-	-	-	-	-	-
Others	0.04	(0.02)	-	0.02	0.12	-	0.14
Sub- Total (a)	717.72	(9.57)	-	708.15	78.21	-	786.36
Deferred Tax Assets							
Accrued expenses	66.71	(13.08)	2.49	56.12	6.70	(6.36)	56.46
MAT credit entitlement *	25.97	21.79	-	47.76	-	-	47.76
Unabsorbed Depreciation	-	-	-	-	58.99	-	58.99
Provisions for Credit Impaired	87.70	(87.70)	-	-	12.04	-	12.04
Others	-	-	-	-	2.54	-	2.54
Sub- Total (b)	180.38	(78.99)	2.49	103.88	80.27	(6.36)	177.79
Net Deferred Tax Liability (a)-(b)	537.34	69.42	(2.49)	604.27	(2.06)	6.36	608.57

\* Net of Rs. 22.96 Lakhs related to Tax liability of earlier year settled with MAT Credit Entitlement during the previous year.

The Company has concluded that the deferred tax assets on unabsorbed depreciation and MAT Credit Entitlement will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The MAT Credit Entitlement can be carried forward as per local tax regulations and the Company expects to recover the same in due course.

##### B. Amounts recognised in the Statement of Profit or Loss

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
Current tax expense		
Current year	14.92	87.19
Income tax for earlier year	(5.61)	22.96
Deferred tax expense	9.31	110.15
Origination and reversal of temporary differences	(2.06)	46.47
Total Tax Expense	7.25	156.62

##### C. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
Deferred Tax Charge/(Credit)		
Remeasurements of defined benefit obligation	(6.36)	2.49
D. Reconciliation of effective tax rate	(6.36)	2.49

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
Accounting profit before tax	25.03	689.01
Tax using the Company's domestic tax rate @ 27.82% (Previous Year- 33.063%)	6.96	227.81
Tax effect of:		
Non-deductible expenses	4.96	3.87
Changes in estimates related to prior years	(5.61)	22.96
Others (including change in Tax Rate)	0.94	(98.03)
	7.25	156.62



## SUNIL HEALTHCARE LIMITED

SUNIL HEALTHCARE LIMITED

Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

		For the Year ended	
		31-Mar-2019	31-Mar-2018
25	Revenue from Operations:		
	Sale of Products		
	Empty Capsules	8,027.93	8,198.33
	Traded Goods	31.60	741.79
	Other Operating Revenue		
	Export and Other Incentives	64.57	82.36
	Revenue from Operations	8,124.10	9,022.48
26	Other Income:		
	Interest Income	16.41	24.47
	Unspent Liabilities written back	4.43	60.75
	Net Gain on foreign currency transactions and translation	-	53.87
	Claim received	49.73	0.04
	Miscellaneous	3.47	61.00
	Profit on sale of Property, Plant and Equipment	0.29	-
		74.33	200.13
27	Cost of Materials Consumed:		
	Raw Material		
	Gelatine	3,292.28	2,761.16
	Colour & Chemical	205.65	143.55
		3,497.93	2,904.71
	Less: Transfer to Capital Work-in-Progress/Capitalised	-	34.44
		3,497.93	2,870.27
28	Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade		
	Opening Inventories		
	Work-in-Progress	346.48	300.63
	Finished Goods	199.60	226.35
	Capsule Scrap	3.48	10.69
		549.56	537.67
	Less: Closing Inventories		
	Work-in-Progress	516.07	346.48
	Finished Goods	568.18	199.60
	Capsule Scrap	3.34	3.48
		1,087.59	549.56
		(538.03)	(11.89)
29	Employee Benefits Expenses:		
	Salaries and Wages	1,072.36	1,007.52
	Contribution to Provident and other Funds	93.71	96.27
	Employee Welfare	110.71	122.06
		1,276.78	1,225.85
	Less: Transfer to Capital Work-in-Progress/Capitalised	-	1.98
		1,276.78	1,223.87
30	Finance Costs:		
	Interest Expenses	572.74	502.54
	Other Borrowing Costs	98.86	59.87
		671.60	562.41
	Less: Transfer to Capital Work-in-Progress/Capitalised	-	59.36
		671.60	503.05

**31 Other Expenses:**

Consumption of Stores and Spares	37.64	35.54
Power and Fuel	952.81	889.19
Job Work charges	121.75	98.22
Packing Materials	197.35	211.94
Repairs to Buildings	26.00	22.28
Repairs to Machinery	319.85	329.11
Repairs to Others	44.55	48.34
Travelling & Conveyance	128.57	158.29
Legal & Professional Charges	57.74	90.53
Rates and Taxes	10.69	8.48
Rent	52.17	49.63
Insurance	44.32	44.89
Auditors' Remuneration - (a)	8.94	3.39
Freight and Forwarding Expenses (Net)	275.22	344.19
Excise Duty on Sales	-	101.14
Donation	-	0.12
Directors' Fees	4.59	3.91
Net Loss on foreign currency transactions and translation	3.70	-
Loss on sale/ discarded of Plant, property and equipment	-	0.49
Increase/ Decrease of Excise Duty on closing stock	-	(1.86)
Provision for Impaired Credit	45.00	-
CSR activities [including Capital Construction Rs. NIL (31 March 2017- Rs. Nil )]	11.70	7.77
Miscellaneous	294.47	277.32

Less: Transfer to Capital Work-in-Progress/Capitalised

(a). Details of Auditors' Remuneration are as follows:

Statutory Auditors:

For Audit Fee	2.20	2.00
For Audit Fee for Consolidation (Including Rs. 0.55 Lakhs for Previous year)	1.10	-
For Tax Audit	1.01	-
For Quarterly Review	1.35	1.20
For Company Law matters	0.33	-
For Certification & Others	1.61	0.08
For Audit of Opening and Comparative financials on adoption of Ind-AS in previous year	1.00	-
Reimbursement of expenses	0.34	0.11

(b). Miscellaneous Expenses include :

Postage, Telegram & Telephone Expenses	50.22	44.04
Bank Charges	29.46	34.90
Sales Promotion	53.57	68.71
Other Expenses	161.22	129.67
	294.47	277.32

**32 Earning per Share (EPS) of Rs. 10/- each**

	For the year ended	
	31/3/2019	31/3/2018
Profit for the year	17.78	532.39
Weighted average number of Basic Equity Shares outstanding	10254750	10254750
Weighted average number of Diluted Equity Shares outstanding	10254750	10254750
Face value of per share	10.00	10.00
Basic and Diluted EPS	0.17	5.19



## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

#### 33 Contingent liabilities, contingent assets and commitments

Particulars	As at 31/03/ 2019	As at 31/03/ 2018
<b>A Contingent liabilities (not provided for) in respect of:</b>		
(i) Demand for Income Tax (Paid under Protest Rs. 0.85 Lakhs)	-	3.72
(ii) The Company has procured certain capital goods under EPCG Scheme at concessional rate of duty against commitment to fulfill export obligation. As on 31st March, 2019 the Company is contingently liable to pay differential custom duty Rs. 273.91 Lakhs (31 March 2018- Rs. 273.91 lakhs) on such procurement if on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow on this account.		
(iii) The Company has procured certain raw material under advance license at without payment of custom duty against commitment to fulfill export obligation. As on 31st March, 2019 the Company is contingently liable to pay custom duty Rs. 455.15 Lakhs (31 March 2018- Rs. 367.67 lakhs) on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow this account.		
<b>B Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Advances paid Rs. 0.6 Lakhs/31 March 2018- Rs. 6.88 Lakhs))	29.34	54.71
(ii) The Company has availed certain government subsidies/ grants. As per the terms and conditions, the Company has to continue production for specified number of years and others conditions failing which amount of subsidies availed alongwith interest, penalty etc. will have to be refunded.		

#### 34 Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and section 186 (4) of the Companies Act, 2013:

Particulars	Purpose	Outstanding as at 31/03/2019	Maximum Amount Outstanding during the year ended 31/03/ 2019	Outstanding as at 31/03/2018	Maximum Amount Outstanding during the previous year ended 31/03/ 2018
Sunil Healthcare -North America	General purpose	121.50	121.50	88.32	88.32
Sunil Healthcare -Mexico	General purpose	25.07	25.07	23.35	23.35

Note:

These advance includes Rs. 118.90 Lakhs (31st March, 2018- Rs 111.67 Lakhs) pertaining to expenditure incurred by the company on behalf of the above subsidiaries which are fully recoverable.

Carrying interest rate 12%.

#### 35 Details of Investment made given covered under section 186(4) of Companies Act, 2013

Details of investments made and their outstanding balances are given in Note No.3.

#### 36 Unhedged foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	Amount (Foreign Currency in Lakhs) 31/03/2019	Amount (Equivalent Rs. in Lakhs) 31/03/2019	Amount (Foreign Currency in Lakhs) 31/03/2018	Amount (Equivalent Rs. in Lakhs) 31/03/2018
Derivatives	-	-	-	-
Forward contract	-	-	7.71	511.27
Open Exposures				
Receivables				
USD	26.63	1,842.18	14.02	911.55
EURO	0.03	2.12	-	-
AUD	-	-	0.98	49.26
Payables				
USD	5.23	361.93	18.37	1,195.02
EURO	-	-	0.01	1.12



**37 Employee benefits**

The Company contributes to the following post-employment defined benefit plans in India.

**(i) Defined Contribution Plans:**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31/03/2019	31/03/2018
Contribution to government Provident Fund	68.56	70.21

**(ii) Defined Benefit Plan:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

**A. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	31/03/2019			31/03/2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	205.11	93.87	111.24	199.93	98.70	101.23
Included in profit or loss						
Current service cost	16.59	-	16.59	18.77	-	18.77
Interest cost / (income)	15.78	7.22	8.56	14.38	7.10	7.28
	32.36	7.22	25.15	33.16	7.10	26.05
Included in OCI						
Remeasurements loss / (gain)						
-Actuarial loss / (gain) arising from:						
-Demographic assumptions	-	-	-	-	-	-
-Financial assumptions	3.36	-	3.36	(5.92)	-	(5.92)
-Experience adjustment	(27.05)	-	(27.05)	5.46	-	5.46
-On plan assets	-	(0.85)	0.85	-	(0.13)	0.13
	(23.69)	(0.85)	(22.84)	(0.45)	(0.13)	(0.33)
Other						
Contributions paid by the employer	-	8.83	(8.83)	-	15.72	(15.72)
Benefits paid	(15.64)	(15.64)	0.00	(27.52)	(27.52)	-
	(15.64)	(6.81)	(8.83)	(27.52)	(11.81)	(15.72)
Balance as at 31 March	198.14	93.43	104.72	205.13	93.85	111.23

**B. Plan assets**

Fund managed by insurer

31/03/2019	31/03/2018
100%	100%
100%	100%

**C. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31/03/2019	31/03/2018
Discount rate	7.70%	7.70%
Expected rate of future salary increase	4.00%	4.00%
Mortality	100% of IALM	100% of IALM

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay Rs 104.72 Lakhs (31 March 2018- Rs. 111.23 Lakhs) in contribution to its defined benefit plans in the next year.

**D. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31/03/2019		31/03/2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+1% Movement)	(205.11)	210.46	(194.34)	217.41
Salary Growth rate (-/+1% Movement)	210.79	(186.88)	217.75	(193.89)

"Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement."

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Description of Risk Exposures:**

"Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -"

**A) Salary Increases-** Higher than expected increase in salary will increase the defined benefit obligation.

**B) Investment Risk –** Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.

**"C) Discount Rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability."

**D) Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

**38 Related party Transactions**
**A. Related parties and their relationships**

i)	Key Managerial Personnel (KMP) and their relatives	
	Name	Relationship
	Mr. Anil Kumar Khaitan	Key Management Personal
	Ms. Sarita Khaitan	Wife of Key Management Personal
	Mr. Ishan Khaitan	Son of Key Management Personal
	Ms. Aanchal Khaitan	Relative of Key Management Personal
	Mr. Kahaan Khaitan	Son of Key Management Personal
	Mr. Rakesh Mohan	Independent Director (KMP) under IndAS
	Mr. B P Srinivasan	Independent Director (KMP) under IndAS
	Dr. Lata Singh	Independent Director (KMP) under IndAS
	Mr. R C Khurana	Independent Director (KMP) under IndAS
	Mr. Sanjay kumar Kaushik	Independent Director (KMP) under IndAS
	Mr. Harish Pal Kumar	Independent Director (KMP) under IndAS w.e.f 13 Feb. 2019
	Mr. Krishna Venkatachalam Rajan	Independent Director (KMP) under IndAS w.e.f 13 Feb. 2019
ii)	Subsidiary Companies	
	Sunil Healthcare North America LLC	
	Sunil Healthcare Mexico SA De CV	



## SUNIL HEALTHCARE LIMITED

### B. Transactions with the above in the ordinary course of business

Nature of Transaction	For the year ended	
	31/03/2019	31/03/2018
a) Payments to Key Managerial Personnel and their relatives		
(i) Short-term Employee benefits		
Mr. Anil Kumar Khaitan	29.31	28.93
Mrs. Sarita Khaitan	27.31	26.72
Mr. Ishan Khaitan	28.93	28.06
Mr. Kahaan Khaitan	17.58	17.12
Mrs. Anchal khaitan	5.68	6.03
Mr. Rakesh Mohan	0.93	0.70
Mr. B P Srinivasan	0.93	0.86
Dr. Lata Singh	0.87	0.70
Mr. R C Khurana	1.10	0.86
Mr. Sanjay kumar Kaushik	1.24	0.91
Mr. S N Balasubramanian	-	0.56
Mr. Harish Pal Kumar	0.11	-
Mr. Krishna Venkatachalam Rajan	0.11	-
(ii) Other long term employee benefits		
Mr. Anil Kumar Khaitan	-	14.93
Mrs. Sarita Khaitan	-	8.60
Mr. Ishan Khaitan	9.00	8.54
Mr. Kahaan Khaitan	3.28	2.83
Mrs. Anchal khaitan	1.07	0.93
(iii) Post Employee Benefits		
Mr. Anil Kumar Khaitan	16.38	9.29
Mrs. Sarita Khaitan	10.04	4.59
Mr. Ishan Khaitan	0.96	3.12
Mr. Kahaan Khaitan	0.35	1.17
Mrs. Anchal khaitan	0.11	0.38
(iv) Rent, Repair and Maintenance		
Mrs. Sarita Khaitan	24.78	24.63
(v) Loan Taken/repayment		
Mr. Anil Kumar Khaitan	414.00	Nil
(v) Interest paid/payable		
Mr. Anil Kumar Khaitan	19.57	Nil
Closing balance at the year end:		
Mr. Anil Kumar Khaitan		
-Loan outstanding	414.00	-
-Interest Payable	19.57	-
-Salary Payable	2.73	4.05
Mrs. Sarita Khaitan		
-Rent Payable	19.12	-
-Salary Payable	3.03	1.54
Mr. Ishan Khaitan		
-Rent Payable	-	-
-Salary Payable	3.28	1.81
Mr. Kahaan Khaitan		
-Rent Payable	-	-
-Salary Payable	2.33	1.33
Mrs. Anchal khaitan		
-Rent Payable	-	-
-Salary Payable	0.81	0.65



## SUNIL HEALTHCARE LIMITED

b) With Subsidiary Companies are as under

Nature of Transaction	For the year ended	
	31/03/2019	31/03/2018
Sunil Healthcare North America LLC		
-Sale	4.02	62.26
- Investment in Equity Instruments	-	12.91
-Advances Given	-	58.93
-Loan Given	27.67	-
- Interest Income	2.40	-
Closing balance at the year end:	199.62	198.88
-Trade Receivable	105.79	110.56
-Advance Receivable	93.83	88.32
-Loan Receivable	27.67	-
-Interest Receivable	2.40	-
Sunil Healthcare Mexico SA DE CV		
-Sale	381.87	485.65
- Investment in Equity Instruments	-	0.10
-Advance Given	-	22.29
Closing balance at the year end:		
-Trade Receivable	679.66	451.87
-Advance Receivable	25.07	23.35

39 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	As at 31/03/2019		As at 31/03/ 2018	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Financial assets				
Investments - Non Current	-	10.51	-	10.00
Loans - Current	27.67	-	-	-
Trade receivables	4,137.71	-	4,797.57	-
Cash and cash equivalents	98.43	-	65.18	-
Bank balances other than above	158.36	-	401.88	-
Others				
Non Current	82.23	-	177.10	-
Current	220.31	-	155.32	-
Financial liabilities	4,724.71	10.51	5,597.06	10.00

### B.Fair value hierarchy

"This section explains the judgements and estimates made in determining the fair values of the financial instruments that are: (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. (c) To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table."

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.



## SUNIL HEALTHCARE LIMITED

Fair value measurements as at 31st March, 2019

Particulars	As at 31 March 2019				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Investments at FVTPL</b>					
Investments					
Non Current	10.51	-	10.51	-	10.51
Current	-	-	-	-	-
Loans - Current	27.67	-	-	27.67	27.67
Trade receivables	4,137.71	-	-	4,137.71	4,137.71
Cash and cash equivalents	98.43	98.43	-	-	98.43
Bank balances other than above	158.36	158.36	-	-	158.36
Others					
Non Current	82.23	-	-	82.23	82.23
Current	220.31	-	-	220.31	220.31
<b>Total financial assets</b>	<b>5,777.08</b>	<b>256.80</b>	<b>10.51</b>	<b>5,509.78</b>	<b>5,777.08</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current	1,276.13	-	1,276.13	-	1,276.13
Current	3,915.51	-	3,501.51	414.00	3,915.51
Trade payables	2,274.00	-	-	2,274.00	2,274.00
Other - Current	538.56	-	315.88	222.68	538.56
Derivative liabilities	-	-	-	-	-
<b>Total financial liabilities</b>	<b>8,004.21</b>	<b>-</b>	<b>5,093.52</b>	<b>2,910.68</b>	<b>8,004.21</b>

There are no transfers between level 1 and level 2 during the year.

Fair value measurements as at 31st March, 2018

Particulars	As at 31 March 2018				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Non Current	10.00	-	10.00	-	10.00
Loans - Current	-	-	-	-	-
Trade receivables	4,797.57	-	-	4,797.57	4,797.57
Cash and cash equivalents	65.18	65.18	-	-	65.18
Bank balances other than above	401.88	401.88	-	-	401.88
Others					
Non Current	177.10	-	-	177.10	177.10
Current	155.32	-	-	155.32	155.32
<b>Total financial assets</b>	<b>5,607.06</b>	<b>467.07</b>	<b>10.00</b>	<b>5,129.99</b>	<b>5,607.06</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current	1,829.72	-	1,829.72	-	1,829.72
Current	3,858.41	-	3,858.41	-	3,858.41
Trade payables	1,788.09	-	-	1,788.09	1,788.09
Other - Current	556.28	-	374.46	181.82	556.28
<b>Total financial liabilities</b>	<b>8,032.51</b>	<b>-</b>	<b>6,062.59</b>	<b>1,969.91</b>	<b>8,032.51</b>

There are no transfers between level 1 and level 2 during the year.

**II. Financial risk management**

"The Company has exposure to the following risks arising from financial instruments:- credit risk;- liquidity risk; and- market risk"

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

"The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low. "

**Trade and other receivables**

"The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the President of the Company. More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties."

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Company has taken the credit insurance policy for its domestic customers to mitigate the financial loss in case default in payment. Risk on export customers is covered through the ECGC Ltd.

The gross carrying amount of trade receivables is Rs. 4137.71 Lakhs (31 March 2018 – Rs.4797.57 Lakhs).

During the period, the Company has written-offs of trade receivables of Rs. NIL lakhs pertains to previous years provisions. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

**Reconciliation of loss allowance provision – Trade receivables**

Particulars	31/03/2019	31/03/2018
Opening balance	-	265.25
Changes in loss allowance	45.00	(265.25)
<b>Closing balance</b>	<b>45.00</b>	<b>-</b>

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.



## SUNIL HEALTHCARE LIMITED

Particulars	Carrying Amount 31/03/2019	Contractual undiscounted cash flows		
		Less than 1 Year	1-5 Years	More than 5 years
Non-derivative financial liabilities				
Non-current Borrowings	1,592.01	315.88	1,276.13	
Current Borrowings	3,915.51	3,915.51	-	-
Trade payables	2,274.00	2,274.00	-	-
Other current financial liabilities	222.68	222.68	-	-
Total non-derivative financial liabilities	8,004.20	6,728.08	1,276.13	-

Particulars	Carrying Amount 31/03/2018	Contractual undiscounted cash flows		
		Less than 1 Year	1-5 Years	More than 5 years
Non-derivative financial liabilities				
Non-current Borrowings	2,204.18	374.46	1,277.83	-
Current Borrowings	3,858.41	3,858.41	-	-
Trade payables	1,788.09	1,788.09	-	-
Other current financial liabilities	181.80	181.80	-	-
Total non-derivative liabilities	8,032.48	- 6,202.76	1,277.83	-

### iv. Market risk

"Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives like forward contracts to manage market risk on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss."

#### a. Currency risk

"The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR, AUD and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances."

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at 31/03/2019		As at 31/03/2018		
	USD	EUR	USD	EUR	AUD
Receivables	26.63	0.03	21.93	(0.01)	0.98
Payables	5.23	-	18.39	-	-
Forward Contracts	-	-	7.71	-	-
Net statement of financial position exposure	<b>21.40</b>	<b>0.03</b>	<b>(4.16)</b>	<b>(0.01)</b>	<b>0.98</b>

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
USD 1	69.89	64.48	69.17	65.04
EUR 1	80.93	75.42	77.70	80.62
AUD 1		49.88	-	50.12



## SUNIL HEALTHCARE LIMITED

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2019</b>				
USD (10% movement)	(148.03)	148.03	(106.84)	106.84
Euro (10% movement)	(0.21)	0.21	(0.15)	0.15
<b>31 March 2018</b>				
USD (10% movement)	27.05	(27.05)	19.53	(19.53)
Euro (10% movement)	0.11	(0.11)	0.08	(0.08)
AUD (10% movement)	(4.93)	4.93	(3.56)	3.56

### Interest rate risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both Non-current and Current. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	31/03/2019	31/03/2018
<b>Fixed-rate instruments</b>		
Financial assets	187.75	508.26
Financial liabilities	1,119.98	657.05
	1,307.73	1,165.31
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	4,387.55	5,420.15
	4,387.55	5,420.15

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bp Decrease	50 bp Increase	50 bp Decrease	50 bp Increase
<b>31/03/2019</b>				
Variable-rate instruments	21.94	(21.94)	15.83	(15.83)
<b>Cash flow sensitivity</b>	<b>21.94</b>	<b>(21.94)</b>	<b>15.83</b>	<b>(15.83)</b>
<b>31/03/2018</b>				
Variable-rate instruments	27.10	(27.10)	18.14	(18.14)
<b>Cash flow sensitivity</b>	<b>27.10</b>	<b>(27.10)</b>	<b>18.14</b>	<b>(18.14)</b>

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### 40 Segment Reporting

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's internal reporting structure.

The Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The company's board examines the Company's performance both from a product and geographical perspective and have identified two reportable segments of its business:

#### a) Empty Capsules

#### b) Marketing of Food Products

The Company's board reviews the results of each segment on a quarterly basis. The company's board of directors uses Earning Before Interest, Tax and Depreciation ('EBITDA') to assess the performance of the operating segments.

Particulars	Empty Capsules		Marketing of Food Products		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Revenue</b>						
Turnover (Net of Excise duty)	8092.5	8280.69	31.60	741.79	8,124.10	9,022.48
<b>Total Revenue</b>	<b>8,092.50</b>	<b>8,280.69</b>	<b>31.60</b>	<b>741.79</b>	<b>8,124.10</b>	<b>9,022.48</b>
<b>Results</b>						
Segment Results Profit/(Loss)	780.86	1,323.61	(6.89)	(49.86)	773.97	1,273.75
Finance Cost					671.60	503.05
Unallocated Corporates/(Income)/(Net)					77.34	81.69
<b>Profit Before Tax</b>					<b>25.03</b>	<b>689.01</b>
Tax Expenses					7.25	156.62
<b>Profit after Tax</b>					<b>17.78</b>	<b>532.39</b>





## SUNIL HEALTHCARE LIMITED

<b>Other Information</b>						
Segment Assets	13,485.78	12,934.14	310.20	770.41	13,795.98	13,704.55
Unallocated Corporate Assets					184.46	554.29
<b>Total Assets</b>					<b>13,980.44</b>	<b>14,258.84</b>
Segment Liabilities	2,804.48	2,276.72	88.26	386.79	2,892.74	2,663.51
Unallocated Corporate Liabilities	-	-	-	-	666.23	653.05
Borrowings	-	-	-	-	5,507.52	6,062.59
<b>Total Liabilities</b>					<b>9,066.49</b>	<b>9,379.15</b>
Capital Expenditure					371.40	1,615.45
Depreciation & Amortisation					573.89	478.25

### Geographical Information

The Empty Capsules, Marketing of Food Products segments are managed on a worldwide basis, but manufacturing facilities and sales offices are primarily in India.

The geographic information analyses, the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

Particulars	2018-19			2017-18		
	Within India	Outside India	Total	Within India	Outside India	Total
<b>Revenue from Operations</b>	5,710.29	2,413.81	8,124.10	6,184.65	2,837.83	9,022.48

All non current assets except trade receivables are located in India.

### Major Customer

One of the major customers contribute more than 10% of the revenue from operation of the Company.

### 41 Capital management

The Company's policy to maintain a **strong** base so as to maintain investor, creditor and market confidence and to sustain future development of the business. **monitors Management** capital as well as the level of dividends to ordinary shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The following table summarises the capital of the Company:

Particulars	31/03/2019	31/03/2018
Equity Share Capital (Note-14)	1,025.48	1,025.48
Other Equity (Note-15)	3,888.48	3,854.21
<b>Total Equity</b>	<b>4,913.95</b>	<b>4,879.69</b>
Non-Current Borrowings (Note-16)	1,592.01	2,204.18
Current Borrowings (Note-19)	3,915.51	3,858.41
<b>Total Debts</b>	<b>5,507.52</b>	<b>6,062.59</b>
<b>Total Equity and Debts</b>	<b>10,421.48</b>	<b>10,942.28</b>
<b>Gearing Ratio</b>	<b>0.53</b>	<b>0.55</b>

### 42 Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting years.		
- Principal amount due to micro and small enterprises	49.69	59.69
- Interest due on above	1.59	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the 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	1.59	Nil
The amount of further interest remaining due and payable even in the succeeding periods, 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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

### 43 Group information

Information about subsidiaries

S. No.	Name	Principal Activities	Country of Incorporation	% Equity Interest	
				As at 31 March 2019	As at 31 March 2018
1	Sunil Healthcare Mexico SA.De. CV.	Trading of Capsules	Mexico	99.97%	99.97%
2	Sunil Healthcare North America LLC	Trading of Capsules	USA	100.00%	100.00%

### 44 Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

### 45 Previous year's figures have been regrouped/ recasted wherever necessary to confirm to the current year's Classification.

The accompanying notes are an integral part of these financial statements

As per our Report of even date attached

As per our report of even date

For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)

Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

ANIL KHAITAN  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN No. 00759951

R.C. KHURANA  
DIRECTOR  
DIN No. 00017354

SANTOSH KUMAR SHARMA  
COMPANY SECRETARY  
FCS No. 6817

PAWAN RATHI  
CHIEF FINANCIAL OFFICER

**SUNIL HEALTHCARE LIMITED**

Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

**1 Reporting Entity**

Sunil Healthcare Limited referred as "the Company" is domiciled in India. The registered office of the Company is at 38E/252A, Vijay Tower, Shahpurjat, New Delhi. Equity shares of the Company are listed in India on the Bombay stock exchange and the Calcutta stock exchange.

The Company has manufacturing plant in Alwar (Rajasthan), India. The Company is a manufacturer of Empty Hard Gelatin and HPMC Capsule Shells. The Company is also doing Trading of Food Items.

The financial statements of the company for the year ended 31st March 2019 were authorized for issue in accordance with a resolution of the directors on 30th May, 2019.

**2 Significant Accounting Policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

**2.1 Basis of preparation**

The standalone financial statements of Sunil Healthcare Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

**2.2 Basis of measurement**

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- **Certain financial assets and liabilities (including derivative instruments) that is measured at fair value**
- **Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1:** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

**Level 2:** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3:** inputs are unobservable inputs for the asset or liability.

**2.3 Functional and presentation currency**

These financial statements are presented in Indian National Rupee ("INR"), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

**2.4 Use of judgements and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**Judgements**

- Classification of leases into finance and operating lease
  - Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.
  - Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.
- Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in

the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipments;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## **2.5 Classification of Assets and Liabilities as Current and Non-Current**

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

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

All other assets/liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

## **2.6 Property, Plant and Equipment (Fixed Assets)**

Recognition and Measurement

"Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any."

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Foreign exchange loss /gain arising on long-term foreign currency monetary items existing as on April 01,2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure leasehold land at fair value. Consequently the fair value has been assumed to be deemed cost of leasehold land on the date of transition i.e. April 01, 2016.

### **Subsequent Measurement**

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the company.

### **Depreciation**

Depreciation on fixed assets is calculated on Straight Line Method using the rates arrived at estimated useful lives given in Schedule II of the Companies Act, 2013 or assessed by the Company on technical evaluation, as given below.

Plant and Machinery	15 to 40 years (single shift)
Electrical Installation	15 to 40 years (single shift)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Premium on Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

### **Capital work-in-progress**

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

### **De-recognition**

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the assets and it

recognised in the Statement of Profit and Loss.

## **2.7 Intangible assets**

Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 6 years and Patent is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

## **2.8 Non-current assets held for sale**

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

## **2.9 Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

## **2.10 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

## **2.11 Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

## **2.12 Employee benefits**

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of

past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Employee benefits in the form of Provident Fund (with Government Authorities) is defined as contribution plan and charged as expenses during the period in which the employees perform the services.

**Defined benefit plans**

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Other long-term employee benefits**

The company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

**2.13 Revenue Recognition**

**Sale of Goods**

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer or its agent and the Company is entitled to receive payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

**2.14 Inventories**

"Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade and Stores & Spares are valued at the lower of cost and net realizable value except scrap/waste which are value at net realizable value. The cost is computed on FIFO basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale."

**2.15 Provisions, Contingent Liabilities and Contingent Assets**

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

- Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.
- 2.16 Measurement of fair value**
- a) Financial instruments**
- The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.
- b) Derivatives**
- Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date.
- 2.17 Financial instruments**
- Financial Assets**
- Initial recognition and measurement**
- All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.
- Classifications**
- The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.
- Equity Instruments**
- All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.
- All other Financial Instruments are classified as measured at FVTPL.
- Derecognition of financial assets**
- A financial asset (or, where applicable, a part of a financial asset or part of a Company 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 recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes 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.
- On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.
- Impairment of financial assets**
- The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
- With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

**Financial liabilities**
**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

**Subsequent measurement**

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

Financial Liabilities measured at amortised cost

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.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

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 recognised 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.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

**2.18 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.



**2.19 Leases**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**2.20 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**2.21 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company.

**2.22 Standard issued but not yet effective**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April, 2019: The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

**(a) Amendment to Ind AS 116 Leases**

"Ind AS 116 – 'Leases' is applicable for the accounting period beginning from April 1, 2019. Ind AS 116 will replace the existing Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets (Right to use) and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The standard provide for two broad alternative transition approach- Retrospective Method and Cumulative Effect Method with practical expedient."

(b) Amendment to Ind AS 19 – plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements.

(c) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

(d) Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

(e) Ind AS 23 – Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company is in the process of evaluating the impact of adoption of the above pronouncements on its financial





## SUNIL HEALTHCARE LIMITED

### INDEPENDENT AUDITOR'S REPORT

To the Members of Sunil Healthcare Limited  
Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Sunil Healthcare Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements. The components are not required to audit in their respective countries. Therefore, key matters below include key audit matters reported by us in the audit report on standalone financial statement of parent company audited by us.

S.N.	Key Audit Matter	Auditor's Response
1.	<b>Revenue Recognition</b> The accounting policies for revenue recognition are set out in Note 2.13 to the Consolidated financial statements and the different revenue streams of the Group have been disclosed in Note 24 to the Consolidated financial statements. We have identified sales cut-off to be significant because of the high volume of transactions and the varying sales, contractual, commercial and billing terms. Revenue recognition is susceptible to the higher risk that the revenue is recognised when the control of goods has not been transferred to the customers.	<b>How our audit addressed the key audit matter:</b> We assessed the overall sales process and the relevant systems and the design of controls over the capture and recording of revenue transactions. We have tested the effectiveness of controls on the processes related to revenue recognition relevant to our audit. We performed sample testing on revenue and checked that the revenue recognition criteria are appropriately applied. We have also performed cut-off tests to ensure the Group has complied with proper cut-off procedures and revenue is recognized in the appropriate accounting period.

S.N.	Key Audit Matter	Auditor's Response
		<b>Our Observation:</b> We found the Group revenue recognition to be consistent with its accounting policy as disclosed in Note 2.13 to the Consolidated financial statements. We are satisfied that the Group revenue has been appropriately recognized and in the relevant accounting period.
2.	<b>Valuation of inventories</b> We refer to Note 6 and 2.14 to the consolidated financial statements. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.	<b>How our audit addressed the key audit matter:</b> We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. <b>Our Observations:</b> We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.

**Other Information**

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

**Responsibilities of Management for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent company and of its subsidiaries are responsible for assessing the ability of the Company and of its subsidiaries 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 respective Board of Directors of the Parent Company and of its subsidiaries are also responsible for overseeing the financial reporting process of the Parent Company and of its subsidiaries.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Group 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 ability of the Parent Company and its subsidiaries 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 consolidated 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 Parent Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been certified by the management and therefore management remain responsible for the direction, supervision and preparation of the financial statements. We remain solely responsible for our audit opinion based on management certified account and such other information provided to us. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements for the financial year ended March 31, 2019 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.

**Other Matter**

We did not audit the financial statements of two foreign subsidiary companies for the year ended March 31, 2019, included in the consolidated financial statements whose financial statements reflect revenue from operation of Rs.385.89 Lakhs for the year ended March 31, 2019 and profit/(loss) after tax of Rs. (31.75) Lakhs for the year ended March 31, 2019. These financial statements have

been prepared, converted into reporting currency and certified by the management and our opinion on financial statements, in so far as it relates to amount and disclosures in respect of these foreign subsidiary companies, is based solely on the financial statements prepared, converted and certified by the management.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of foreign subsidiaries where applicable, as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and management certified financial statement in case of foreign subsidiaries;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
- (e) On the basis of the written representations received from the Directors of the Parent Company as on 31 March 2019 taken on record by the Board of Directors of the Parent Company, none of the Directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company, no separate Report is being issued with reference to these consolidated financial statements of the Parent Company. Also refer Annexure A to the Independent auditor's report dated 30 May 2019, issued on the standalone financial statements of the Parent Company regarding Internal controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and according to the information and explanations given to us, the remuneration paid/provided during the year by the Parent Company to its directors is in accordance with the provisions of section 197 of the Act.
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The Company has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 33 to the consolidated financial statements;
  - 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 due which were required to be transferred, to the Investor Education and Protection Fund by the parent company.

For JKVS & Co.  
(Formerly Known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E

Kuldeep Maloo  
Partner  
Membership No. 515708

Place: New Delhi  
Date: May 30, 2019



## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited  
Consolidated Balance Sheet as at 31st March, 2019  
(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Notes No	As at 31st March, 2019	As at 31st March, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	6,850.46	7,064.36
Capital work-in-progress	2	246.95	18.53
Other Intangible assets	2A	32.26	27.96
Financial Assets			
(i) Investment	3	10.51	10.00
(ii) Other financial assets	4	82.75	177.27
Other non-current assets	5	2.87	7.79
<b>Current assets</b>			
Inventories	6	1,667.07	1,012.60
Financial Assets			
(i) Trade receivables	7	3,924.21	4,814.25
(ii) Cash and cash equivalents	8	110.97	81.41
(iii) Bank balance other than (ii) above	9	158.36	401.88
(iv) Other financial assets	10	99.01	43.65
Current Tax Assets (net)	11	39.28	8.66
Other current assets	12	557.39	551.87
<b>Total Assets</b>		<b>13,782.09</b>	<b>14,220.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	1,025.48	1,025.48
Other Equity	14	3,651.67	3,717.85
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	15	1,276.13	1,829.72
Provisions	16	111.19	200.59
Deferred tax liabilities (Net)	17	608.57	604.27
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	3,915.51	3,858.40
(ii) Trade payables	19		
- Total Outstanding dues of Micro enterprises and Small enterprises		49.69	59.69
- Total Outstanding dues of Creditors other than Micro enterprises and Small enterprises		2,241.31	1,736.89
(iii) Other financial liabilities	20	540.99	556.27
Other current liabilities	21	243.63	554.08
Provisions	22	108.54	48.23
Current tax liabilities (Net)	23	9.38	28.76
<b>Total Equity and Liabilities</b>		<b>13,782.09</b>	<b>14,220.23</b>
Significant Accounting Policies and Other Notes on Financials Statements.	1-43		
The accompanying notes are an integral part of the Financial Statements.			

As per our report of even date  
For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E  
Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
ANIL KHAITAN  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN No. 00759951

R.C. KHURANA  
DIRECTOR  
DIN No. 00017354

SANTOSH KUMAR SHARMA  
COMPANY SECRETARY  
FCS No. 6817

PAWAN RATHI  
CHIEF FINANCIAL OFFICER



## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited  
Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2019  
(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>REVENUES</b>			
Revenue from Operations	24	8,119.60	9,133.49
Other Income	25	82.66	222.66
<b>Total Revenues (I)</b>		<b>8,202.26</b>	<b>9,356.15</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	3,497.93	2,870.27
Purchases of Stock in Trade		54.17	759.64
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	27	(657.64)	(26.22)
Employee Benefits Expenses	28	1,276.78	1,255.46
Finance Costs	29	671.60	503.05
Depreciation and Amortization	2	574.03	478.26
Other Expenses	30	2,873.03	2,884.60
<b>Total Expenses (II)</b>		<b>8,289.90</b>	<b>8,725.06</b>
<b>Profit before Tax (I-II)</b>		<b>(87.64)</b>	<b>631.09</b>
Tax Expenses:			
(1) Current Tax	18	15.14	112.27
Current Year		(31.56)	22.96
For earlier year		(2.06)	46.47
(2) Deferred Tax	18		
<b>Profit for the year</b>		<b>(69.16)</b>	<b>449.39</b>
<b>Other Comprehensive Income</b>			
(1) Items that will not be reclassified to profit & loss			
Remeasurement of defined benefit plan		22.84	0.31
Tax relating to remeasurement of defined benefit plan		(6.36)	(2.49)
(2) Items that will be reclassified to profit & loss			
Foreign Currency Translation Reserve		(13.52)	5.30
<b>Total Other Comprehensive Income for the year</b>		<b>2.96</b>	<b>3.12</b>
<b>Total Comprehensive Income for the year</b>		<b>(66.20)</b>	<b>452.51</b>
<b>Earnings per Equity Share of Rs. 10/-Per share</b>	31		
Basic		(0.67)	4.38
Diluted		(0.67)	4.38
Significant Accounting Policies and Other notes on Financial Statements.	1-43		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date  
For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E  
Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

ANIL KHAITAN  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN No. 00759951

SANTOSH KUMAR SHARMA  
COMPANY SECRETARY  
FCS No. 6817

R.C. KHURANA  
DIRECTOR  
DIN No. 00017354

PAWAN RATHI  
CHIEF FINANCIAL OFFICER



## SUNIL HEALTHCARE LIMITED

**Sunil Healthcare Limited**  
**Consolidated Cash Flow Statement for the Year ended 31st March, 2019**  
 (All amounts are in Rupees lakhs, unless otherwise stated)

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. Cash Flow From Operating Activities</b>		
Profit before Tax	(87.64)	631.09
Adjustment for :		
Finance Costs	671.60	503.05
Depreciation and Amortization Expenses	574.03	478.26
(Profit)/Loss on Sales/Discarded of Propert, Plant and Equipment	(0.29)	0.49
Interest Income	(14.02)	(24.47)
Fair valuation of Investments	-	-
Provision for Impaired Credit	45.00	-
Liabilities/ Provisions no longer required written back	(4.48)	(60.75)
Unrealised (gain)/loss foreign currency transactions and translation	(33.61)	19.94
<b>Operating profit before working capital changes</b>	<b>1,150.59</b>	<b>1,547.65</b>
Changes in working Capital:		
(Increase)/Decrease in Inventories	(654.47)	65.77
(Increase)/Decrease in Trade and other Receivables	891.54	(1,169.14)
Increase /Decrease in Trade and other payable	119.31	248.46
<b>Cash generation from Operation</b>	<b>1,506.97</b>	<b>692.74</b>
Payment of Direct Taxes	(33.59)	(144.41)
<b>Net Cash generated/ (used) - Operating Activities</b>	<b>1,473.38</b>	<b>548.33</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment,		
Intangible Assets and Capital work in progress	(558.79)	(1,561.44)
Sale of Property, Plant and Equipment	7.53	0.37
Investment in Mutual Funds	-	(10.00)
Movement in Fixed Deposits	243.52	(157.56)
Interest Received	27.37	10.90
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(280.37)</b>	<b>(1,717.73)</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts from Non Current Borrowings	1,354.04	947.43
Repayment of Non Current Borrowings	(1,911.81)	(458.98)
Receipts/ (Repayment) of Current Borrowings (Net)	(356.89)	1,101.29
Loan from director	414.00	-
Finance Cost Paid	(662.79)	(487.47)
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<b>(1,163.45)</b>	<b>1,102.27</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>29.56</b>	<b>(67.13)</b>
Add : Opening Cash and Cash Equivalents	81.41	148.54
Closing Cash and Cash Equivalents	<b>110.97</b>	<b>81.41</b>
<b>Components of Cash &amp; Cash equivalents</b>		
Cash in hand	1.94	2.50
<b>Balances with Schedule Banks</b>		
In Current Accounts	109.03	78.91
	<b>110.97</b>	<b>81.41</b>

Note:

**Amendment to Ind AS 7:**

Effective 01st April, 2017, the amendment to Ind AS 7 require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment did not have any material impact on the Statement of Cash Flows.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For JKVS & Co.  
 (Formerly known as Jitendra K Agarwal & Associates)  
 Chartered Accountants  
 Firm Reg. No. 318086E

Kuldeep Maloo  
 Partner  
 M. No. 515708

Place: New Delhi  
 Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

ANIL KHAITAN  
 CHAIRMAN CUM MANAGING DIRECTOR  
 DIN No. 00759951

R.C. KHURANA  
 DIRECTOR  
 DIN No. 00017354

SANTOSH KUMAR SHARMA  
 COMPANY SECRETARY  
 FCS No. 6817

PAWAN RATHI  
 CHIEF FINANCIAL OFFICER



## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited  
Standalone Statement of Change in Equity for the Year Ended March 31, 2019  
(All amounts are in Rupees lakhs, unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018		
	No. of Shares	Amount	No. of Shares	Amount	
<b>(a) Equity Share Capital &amp; Reconciliation of number of shares outstanding at the beginning and end of the year :</b>					
Balance at the beginning of the year	10,254,750	1,025.48	10,254,750	1,025.48	
Changes in equity share capital during the year	-	-	-	-	
Balance at the end of the reporting period	10,254,750	1,025.48	10,254,750	1,025.48	
<b>(b) Other Equity</b>					
Particulars	Reserves and Surplus				
	Capital Redemption	Retained	Other Comprehensive Income	Total	
	Reserve	earnings	Remeasurement of defined benefit plans	Foreign Currency Translation Reserve	
Balance at April 1, 2017	7.50	3,288.37	(30.51)	-	3,265.36
Profit for the year	-	449.39	-	-	449.39
Other Comprehensive Income for the year	-	-	(2.18)	5.30	3.12
Total Comprehensive Income for the year	-	449.39	(2.18)	5.30	452.51
Balance at April 1, 2018	7.50	3,737.76	(32.69)	5.30	3,717.85
Profit for the year	-	(69.16)	-	-	(69.16)
Other Comprehensive Income for the year	-	-	16.48	(13.52)	2.96
Total Comprehensive Income for the year	-	(69.16)	16.48	(13.52)	(66.20)
Balance at March 31, 2019	7.50	3,668.60	(16.20)	(8.22)	3,651.67

**Capital Redemption Reserve:** It represents the redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** It represents profits earned by the Group after payment of dividend to shareholders.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date  
For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E  
Kuldeep Maloo  
Partner  
M. No. 515708  
Place: New Delhi  
Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
ANIL KHAITAN  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN No. 00759951

R.C. KHURANA  
DIRECTOR  
DIN No. 00017354

SANTOSH KUMAR SHARMA  
COMPANY SECRETARY  
FCS No. 6817

PAWAN RATHI  
CHIEF FINANCIAL OFFICER





## SUNIL HEALTHCARE LIMITED

Sunil Healthcare Limited  
Notes to Standalone Financial Statements for the year ended 31st March, 2019  
(All amounts are in Rupees lakhs, unless otherwise stated)

### (i) Property, Plant and Equipment

Particulars	Leasehold Land	Buildings	Plant and Equipment	Electric Installations	Furniture and Fixtures	Office Equipments	Vehicles	Total	Capital in Progress
<b>Gross Block</b>									
As at 1st April 2017	1,041.86	452.49	3,880.34	209.01	257.57	30.06	493.28	6,364.61	12.38
Additions	-	76.38	1,386.22	56.37	70.21	8.54	0.17	1,597.89	11.72
Deduction/ Capitalised	-	-	-	-	-	0.93	-	0.93	5.57
As at 31st March 2018	1,041.86	528.87	5,266.56	265.38	327.78	37.67	493.45	7,961.57	18.53
Additions	-	16.04	272.98	51.34	14.49	5.41	0.03	360.29	245.44
Deduction/ Capitalised	-	0.07	13.00	-	-	-	-	13.07	17.02
As at 31st March 2019	1,041.86	544.84	5,526.54	316.72	342.27	43.08	493.48	8,308.79	246.95
<b>Accumulated Depreciation</b>									
As at 1st April 2017	-	21.03	308.26	26.74	31.97	5.74	31.99	425.73	-
Additions	0.01	21.67	323.06	24.77	32.42	7.06	62.55	471.54	-
Deduction/ Adjustments	-	-	-	-	-	0.07	-	0.07	-
As at 31st March 2018	0.01	42.70	631.32	51.51	64.39	12.73	94.54	897.20	-
Additions	0.01	24.15	410.46	27.01	34.89	7.89	62.55	566.96	-
Deduction/ Adjustments	-	0.01	5.82	-	-	-	-	5.83	-
As at 31st March 2019	0.02	66.84	1,035.96	78.52	99.28	20.62	157.09	1,458.33	-
<b>Net block</b>									
As at 31st March 2018	1,041.85	486.17	4,635.24	213.87	263.39	24.94	398.91	7,064.36	246.95
As at 31st March 2019	1,041.84	478.00	4,490.58	238.20	242.99	22.46	336.39	6,850.46	18.53

Note:

(i) Assets pledged and Hypothecated against borrowings: (Refer note no.16 and 19)

(ii) Vehicle Includes Rs. 327.75 lakhs (31st March 2018- Rs. 337.96 Lakhs) carrying amount are hypothecated against the finance scheme from banks.

(iii) Addition to Plant & Machinery includes foreign exchange loss capitalised Rs. 46.17 Lakhs (31 March 2018- Rs. 2.20 Lakhs ) arising on long-term foreign currency monetary items existing as on April 01,2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

### 2A Intangible Assets

Particulars	Software	Software - SAP	Patent	Total
<b>Gross Block</b>				
As at 1st April 2017	1.46	16.19	20.43	38.08
Additions	1.52	-	-	1.52
Deduction/ Adjustments	-	-	-	-
As at 31st March 2018	2.98	16.19	20.43	39.60
Additions	11.17	0.20	-	11.37
Deduction/ Adjustments	-	-	-	-
As at 31st March 2019	14.15	16.39	20.43	50.97
<b>Accumulated Depreciation</b>				
As at 1st April 2017	0.27	4.22	0.42	4.91
Additions	0.55	4.14	2.04	6.73
Deduction/ Adjustments	0	-	-	-
As at 31st March 2018	0.82	8.36	2.46	11.64
Additions	0.88	4.15	2.04	7.07
Deduction/ Adjustments	-	-	-	-
As at 31st March 2019	1.70	12.51	4.50	18.71
<b>Net block</b>				
As at 31st March 2018	2.16	7.83	17.97	27.96
As at 31st March 2019	12.45	3.88	15.93	32.26

Note

(i) Patent is pending for registration with respective department.



## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

#### Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

		As at	
		31/03/2019	31/03/2018
3	<b>Investment</b>		
	<b>A. Investments in Mutual Fund (unquoted) (valued at fair value through profit &amp; loss)</b>		
	1,00,000 Units (31st March, 2018-100000 units)		
	of Rs. 10 each of SBI Dual Advantage Fund- Series XXIV & XXVI- Regular	10.51	10.00
		<b>10.51</b>	<b>10.00</b>
	<b>a. Aggregate amount of investments are given below:</b>		
	Aggregate book value of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Aggregate book value of unquoted investments	<b>10.51</b>	<b>10.00</b>
	Aggregated amount of impairment in value of investment	-	-
	<b>b. None of the above investments are listed on any stock exchange in India or outside India.</b>		
4	<b>Other non current financial assets</b>		
	<b>(Unsecured, Considered Good Unless Stated Otherwise)</b>		
	Security Deposits	80.97	70.83
	Deposits against Guarantee / Margin money	1.78	106.44
5	<b>Other non-current assets</b>	<b>82.75</b>	<b>177.27</b>
	Capital Advances	0.06	6.88
	Prepaid Expenses	2.81	0.91
6	<b>Inventories</b>	<b>2.87</b>	<b>7.79</b>
	<b>(Valued at Lower of Cost and Net Realisable Value)</b>		
	<b>(As taken, Valued and Certified by the Management)</b>		
	Raw materials	112.67	172.84
	Work in progress	516.07	346.48
	Finished goods	726.12	237.93
	Capsule - Scrap	7.08	3.48
	Stores and spares	305.13	251.87
		<b>1,667.07</b>	<b>1,012.60</b>
	<b>a. Inventories are hypothecated to secure short-term borrowings. Refer to Note No. 18.</b>		
7	<b>Trade receivables</b>		
	Unsecured Considered Good	3,924.21	4,814.25
	Unsecured Considered doubtful	45.00	-
		<b>3,969.21</b>	<b>4,814.25</b>
	Less : Allowances for credit losses	45.00	-
		<b>3,924.21</b>	<b>4,814.25</b>
8	<b>Cash and cash equivalents</b>		
	Balances with Banks		
	On Currents Accounts	109.03	78.91
	Cash on hand	1.94	2.50
		<b>110.97</b>	<b>81.41</b>
9	<b>Other Bank Balances</b>		
	<b>Other Bank Balance</b>		
	Deposits against Guarantee / Margin money	160.08	508.26
	Less: Transfer to Other Non-Current Financial Assets (More than 12 months)	1.78	106.44
		<b>158.30</b>	<b>401.82</b>
	Deposit with Post Office	0.06	0.06
		<b>158.36</b>	<b>401.88</b>
10	<b>Other current Financial assets</b>		
	Accrued Interest	13.12	26.47
	Other receivables	30.11	13.87
	Advance to Subsidiary Companies (Related parties)	-	-
	Receivable on account of Derivative Assets	-	3.31
	security deposit	55.78	-
		<b>99.01</b>	<b>43.65</b>



## SUNIL HEALTHCARE LIMITED

11	<b>Current Tax assets (Net)</b>		
	Income tax [net of provision]	39.28	8.66
12	<b>Other Current Assets</b>	<b>39.28</b>	<b>8.66</b>
	Prepaid Expenses	40.56	33.08
	Export Incentive Receivable	166.16	171.98
	Other Advances	329.88	263.64
	Balance with Government Authorities	7.83	52.61
	Others *	12.96	30.57
		<b>557.39</b>	<b>551.87</b>
* Others includes advance against expenses, advance to employees and misc. receivable.			
13	<b>Equity Share Capital</b>		
A.	<b>Authorized, Issued, Subscribed and Paid-up Share Capital</b>		
	<b>Authorized:</b>		
	10800000 (31st March 2018 - 10800000, ) Equity Shares of Rs 10 /-each.	1,080.00	1,080.00
	20000 (31st March 2018 - 20000) Redeemable Cumulative Preference Shares of Rs 100/- each	20.00	20.00
		<b>1,100.00</b>	<b>1,100.00</b>
	<b>Issued:</b>		
	10254750 (31st March 2018 - 10254750) Equity Shares of Rs 10 /-each	1,025.48	1,025.48
		<b>1,025.48</b>	<b>1,025.48</b>
	<b>Subscribed and Paid-up:</b>		
	10254750 (31st March 2018 - 10254750) Equity Shares of Rs 10/- each fully paid-up	1,025.48	1,025.48
		<b>1,025.48</b>	<b>1,025.48</b>
B.	<b>Reconciliation of Shares outstanding at the beginning and at the end of year are given below:</b>		
	<b>Outstanding as on March 31, 2018</b>		No. of Shares
	Equity Shares issued/bought back during the year		10,254,750
	<b>Outstanding at the March 31, 2019</b>		<b>10,254,750</b>
		2018-19	2017-18
		Numbers	Rs in Lakhs
	Equity Shares outstanding at the beginning of the year	10254750	1,025.48
	Equity Shares outstanding at the end of the year	<b>10254750</b>	<b>1,025.48</b>
C.	<b>Terms/Right, Preferences and Restrictions attached to equity shares</b>		
	Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holder of equity share will be entitled to receive remaining assets of the Company after preferential distribution. The distribution will be in proportion to the number of equity shares held by the share holders. There is no restriction on distribution of dividends. However same is subject to the approval of the shareholders in the Annual General Meeting.		
E	<b>List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)</b>		
		As at 31/03/2019	As at 31/03/2018
		No. of Shares held	Percentage of Holding
	Name of shareholder	No. of Shares held	Percentage of Holding
	Mr. Anil Kumar Khaitan	5942494	57.95%
	M/S Magnum Computer Private Limited	1327211	12.94%
	M/S SNK Executive Search Pvt Ltd	543690	5.30%
14	<b>Other Equity</b>		
(i)	<b>Capital Redemption Reserve</b>		
	Balance at the beginning of the year	7.50	7.50
	Addition/ (Transfer) during the year	-	-
(ii)	<b>Retained Earnings</b>	<b>7.50</b>	<b>7.50</b>
	Balance at the beginning of the year	3,737.76	3,288.37
	Add: Profit during the year	(69.16)	449.39
		<b>3,668.60</b>	<b>3,737.76</b>
	<b>Total Reserve and Surplus (i to iv)</b>	<b>3,676.10</b>	<b>3,745.26</b>
(iii)	<b>Other Comprehensive Income</b>		
	Balance at the beginning of the year	(27.39)	(30.51)
	Other comprehensive income/(loss) during the year	2.96	3.12
		<b>(24.43)</b>	<b>(27.39)</b>
	<b>Total Other Equity</b>	<b>3,651.67</b>	<b>3,717.85</b>

15	<b>Borrowings</b>		
	<b>Secured</b>		
	<b>Term Loans</b>		
	From Banks	-	6.87
	From Body Corporates	1,188.55	513.85
	<b>Vehicle Loans</b>		
	From Banks	215.56	193.99
	<b>Buyer's/Supplier's Credit</b>	-	1,294.34
	<b>Unsecured</b>		
	<b>Term Loans</b>		
	From Body Corporates	187.90	195.13
	<b>Less: Current Maturities of Non Current Borrowings</b>	<b>1,592.01</b>	<b>2,204.18</b>
	<b>Secured</b>		
	<b>Term Loans</b>		
	From Banks	-	6.87
	From Body Corporates	132.51	196.37
	<b>Vehicle Loans</b>		
	From Banks	75.91	61.35
	<b>Unsecured</b>		
	<b>Term Loans</b>		
	From Body Corporates	107.46	109.87
		<b>315.88</b>	<b>374.46</b>
		<b>1,276.13</b>	<b>1,829.72</b>
	<b>Notes:</b>		
	A. <b>Security</b>		
	Term loans are secured by specific movable or immovable plant, property and equipment, purchased against specific loan. The same is also personally guaranteed by Chairman cum Managing Director and a relative.		
	B. <b>Repayment of term loans and Rate of interest</b>		
	1 Rupee term loans of Rs. 1188.55 Lakhs (31st March 2018 - Rs. 513.85 lakhs) from body corporates carries interest rate ranging 12.30% to 13.95% per annum, is repayable in 39 monthly installments from April 2019.		
	2 Buyer's/Supplier's Credit of nil (31st March 2018 - Rs. 1294.34 Lakhs ), equivalent to aggregate of nil ( 31st March 2018 equivalent to aggregate of USD 20.05 lakhs) carries interest rate of 2.16% per annum which converted into term loan during the year.		
	3 Vehicle loan of Rs. 215.56 Lakhs (31st March, 2018 - Rs. 193.99 lakhs) carries interest rate ranging 9 % to 15% per annum, is repayable in 60 monthly installments from April 2019.		
	4 The unsecured term loans of Rs. 187.90 Lakhs (31st March 2018 - Rs. 195.13 lakhs) from body corporates carries interest rate ranging 17%- 18.25% per annum, is repayable in 35 equal monthly installments from April 2019.		
16	<b>Provisions</b>		
	Employees Benefits	111.19	200.59
17	<b>Borrowings</b>	<b>111.19</b>	<b>200.59</b>
	<b>Secured</b>		
	<b>Working Capital Facilities from Banks (a)</b>		
	Cash Credit	3,163.71	3,253.41
	Buyer's Import Credit	-	513.29
	<b>From a Body Corporate (b)</b>	<b>337.80</b>	<b>91.70</b>
	<b>Un Secured</b>	<b>3,501.51</b>	<b>3,858.40</b>
	From Director (refer note no. 35)	414.00	-
		<b>414.00</b>	<b>-</b>
	<b>Note:</b>	<b>3,915.51</b>	<b>3,858.40</b>
	(a) Working Capital Loan is Secured by first charge by way of hypothecation on the entire stock of inventories, receivables, bills, and other chargeable current assets of the company (both present and future) and extension of first mortgage / hypothecation charge on the entire Property, Plant and Equipment of Company except those non current assets financed by the body corporates . The same is also personally guaranteed by Chairman cum Managing director and a relative.		
	(b) Secured under Key Man Insurance Policy taken for Key management personnel in earlier years and is repayable on demand.		
19	<b>Trade payables</b>		
	Total Outstanding dues of Micro enterprises and Small enterprises (Refer note. No. 39)	49.69	59.69
	Total Outstanding dues of Creditors other than Micro enterprises and Small enterprises	2,241.31	1,736.89
20	<b>Other Current Financial Liabilities</b>	<b>2,291.00</b>	<b>1,796.58</b>
	Current Maturities of Non Current Borrowings	315.88	374.46
	Interest Accrued	50.61	41.81
	Capital Creditors	174.48	140.00
		<b>540.99</b>	<b>556.27</b>
21	<b>Other Current Liabilities</b>		
	Statutory dues	68.86	400.44
	Advances from customers	15.01	36.65
	Accruals to employees and others	159.76	116.99
		<b>243.63</b>	<b>554.08</b>
22	<b>Provisions</b>		
	Employees Benefits	108.54	48.23
23	<b>Current Tax Liability(net)</b>	<b>108.54</b>	<b>48.23</b>
	Current Tax Liability [net of Advance Tax ]	9.38	28.76
		<b>9.38</b>	<b>28.76</b>



## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

#### Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

#### 18 Deferred tax liabilities (net)

##### A. Movement in deferred tax balances

Particulars	As at 1st April 2017	Recognized in P&L	Recognized in OCI	As at 1st April 2018	Recognized in P&L	Recognized in OCI	As at 31/03/2019
<b>Deferred Tax Liabilities</b>							
Property, plant and equipments	717.68	(9.55)	-	708.13	78.09	-	786.22
Others	0.04	(0.02)	-	0.02	0.12	-	0.14
<b>Sub- Total (a)</b>	<b>717.72</b>	<b>(9.57)</b>	<b>-</b>	<b>708.15</b>	<b>78.21</b>	<b>-</b>	<b>786.36</b>
<b>Deferred Tax Assets</b>							
Accrued expenses	66.71	(13.08)	2.49	56.12	6.70	(6.36)	56.46
MAT credit entitlement *	25.97	21.79	-	47.76	14.92	-	62.68
Unabsorbed Depreciation	-	-	-	-	44.07	-	44.07
Provisions for doubtful trade receivables	87.70	(87.70)	-	-	12.04	-	12.04
Others	-	-	-	-	2.54	-	2.54
<b>Sub- Total (b)</b>	<b>180.38</b>	<b>(78.99)</b>	<b>2.49</b>	<b>103.88</b>	<b>80.27</b>	<b>(6.36)</b>	<b>177.79</b>
<b>Net Deferred Tax Liability (a)-(b)</b>	<b>537.34</b>	<b>69.42</b>	<b>(2.49)</b>	<b>604.27</b>	<b>(2.06)</b>	<b>6.36</b>	<b>608.57</b>

\* Net of Rs. 22.96 Lakhs related to Tax liability of earlier year settled with MAT Credit Entitlement during the year.

The Company has concluded that the deferred tax assets on unabsorbed depreciation and MAT Credit Entitlement will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The MAT Credit Entitlement can be carried forward as per local tax regulations and the Company expects to recover the same in due course.

##### B. Amounts recognised in the Statement of Profit or Loss

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
<b>Current tax expense</b>		
Current year	15.14	112.27
Income tax for earlier year	(31.56)	22.96
<b>Deferred tax expense</b>	<b>(16.41)</b>	<b>135.23</b>
Origination and reversal of temporary differences	(2.06)	46.47
	<b>(2.06)</b>	<b>46.47</b>
<b>Total Tax Expense</b>	<b>(18.47)</b>	<b>181.70</b>

##### C. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
<b>Deferred Tax Charge/(Credit)</b>		
Remeasurements of defined benefit obligation	(6.36)	2.49
	<b>(6.36)</b>	<b>2.49</b>

##### D. Reconciliation of effective tax rate

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
<b>Accounting profit before tax</b>	<b>(87.64)</b>	<b>631.09</b>
Tax using the Company's domestic tax rate @ 27.82% (Previous Year- 33.063%)	(24.38)	208.66
Tax effect of:		
Non-deductible expenses	4.96	3.87
Changes in estimates related to prior years	(31.56)	22.96
Others (including change in Tax Rate)	32.51	(53.79)
	<b>(18.47)</b>	<b>181.70</b>



## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

#### Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in Rupees lakhs, unless otherwise stated)

		For the Year ended	
		31-Mar-2019	31-Mar-2018
<b>24</b>	<b>Revenue from Operations:</b>		
	<b>Sale of Products</b>		
	Empty Capsules	8,023.43	8,309.34
	Traded Goods	31.60	741.79
	<b>Other Operating Revenue</b>		
	Export and Other Incentives	64.57	82.36
	<b>Revenue from Operations</b>	<b>8,119.60</b>	<b>9,133.49</b>
<b>25</b>	<b>Other Income:</b>		
	Interest Income	14.02	24.47
	Unspent Liabilities written back	4.48	60.75
	Net Gain on foreign currency transactions and translation	-	76.40
	Claim received	49.73	0.04
	Miscellaneous	14.14	61.00
	Profit on sale of Property, Plant and Equipment	0.29	-
<b>26</b>	<b>Cost of Materials Consumed:</b>	<b>82.66</b>	<b>222.66</b>
	Raw Material		
	Gelatine	3,292.28	2,761.16
	Colour & Chemical	205.65	143.55
		3,497.93	2,904.71
	Less: Transfer to Capital Work-in-Progress/Capitalised	-	34.44
		<b>3,497.93</b>	<b>2,870.27</b>
<b>27</b>	<b>Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade</b>		
	<b>Opening Inventories</b>		
	Work-in-Progress	346.48	300.63
	Finished Goods	237.93	250.35
	Capsule Scrap	3.48	10.69
		587.89	561.67
	<b>Less: Closing Inventories</b>		
	Work-in-Progress	516.07	346.48
	Finished Goods	726.12	237.93
	Capsule Scrap	3.34	3.48
		1,245.53	587.89
<b>28</b>	<b>Employee Benefits Expenses:</b>	<b>(657.64)</b>	<b>(26.22)</b>
	Salaries and Wages	1,072.36	1,026.14
	Contribution to Provident and other Funds	93.71	96.27
	Employee Welfare	110.71	135.03
		1,276.78	1,257.44
	Less: Transfer to Capital Work-in-Progress/Capitalised	-	1.98
		<b>1,276.78</b>	<b>1,255.46</b>
<b>29</b>	<b>Finance Costs:</b>		
	Interest Expenses	572.74	502.54
	Other Borrowing Costs	98.86	59.87
		671.60	562.41
	Less: Transfer to Capital Work-in-Progress/Capitalised	-	59.36
		<b>671.60</b>	<b>503.05</b>

30	<b>Other Expenses:</b>		
	Consumption of Stores and Spares	37.64	35.54
	Power and Fuel	952.81	889.19
	Job Work charges	121.75	98.22
	Packing Materials	197.35	212.24
	Repairs to Buildings	26.00	22.28
	Repairs to Machinery	319.85	329.11
	Repairs to Others	44.55	48.34
	Travelling & Conveyance	157.72	170.43
	Legal & Professional Charges	142.74	151.83
	Rates and Taxes	10.69	8.67
	Rent	64.04	56.39
	Insurance	46.66	47.10
	Auditors' Remuneration - (a)	8.94	3.39
	Freight and Forwarding Expenses (Net)	370.01	356.74
	Excise Duty on Sales	-	101.14
	Donation	-	0.12
	Directors' Fees	4.59	3.91
	Net Loss on foreign currency transactions and translation (Net)	13.21	-
	Loss on sale/ discarded of Plant, property and equipment	-	0.49
	Increase/ Decrease of Excise Duty on closing stock	-	(1.86)
	Provision for bad and doubtful debts	45.00	-
	CSR activities [including Capital Construction Rs. NIL (31 March 2018- Rs. NIL )]	11.70	7.77
	Miscellaneous -(b)	297.78	356.06
		<b>2,873.03</b>	<b>2,897.10</b>
	Less: Transfer to Capital Work-in-Progress/Capitalised	-	12.50
	(a). Details of Auditors' Remuneration are as follows:	<b>2,873.03</b>	<b>2,884.60</b>
	Statutory Auditors:		
	For Audit Fee	2.20	2.00
	For Audit Fee for Consolidation (Including Rs. 0.55 Lakhs for Previous year)	1.10	-
	For Tax Audit	1.01	-
	For Quarterly Review	1.35	1.20
	For Company Law matters	0.33	-
	For Certification & Others	1.61	0.08
	For Audit of Opening and Comparative financials on adoption of Indas in previous year	1.00	-
	Reimbursement of expenses	0.34	0.11
	(b). Miscellaneous Expenses include :	<b>8.94</b>	<b>3.39</b>
	Postage, Telegram & Telephone Expenses	50.53	44.04
	Bank Charges	31.23	34.90
	Sales Promotion	54.79	68.71
	Other Expenses	161.23	208.41
		<b>297.78</b>	<b>356.06</b>
31	<b>Earning per Share (EPS) of Rs. 10/- each</b>		
		Year ended	
		31/3/2019	31/3/2018
	Profit/(loss) for the year	(69.16)	449.39
	Weighted average number of shares used in the calculation of EPS	10254750	10254750
	Weighted average number of Basic Equity Shares outstanding	10254750	10254750
	Weighted average number of Diluted Equity Shares outstanding	10254750	10254750
	Face value of per share	10.00	10.00
	Basic and Diluted EPS	(0.67)	4.38



## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

Notes to Standalone Financial Statements for the year ended 31st March, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

#### 32 Contingent liabilities, contingent assets and commitments

Particulars	As at 31/03/ 2019	As at 31/03/ 2018
<b>A Contingent liabilities (not provided for) in respect of:</b>		
(i) Demand for Income Tax (Paid under Protest Rs. 0.85 Lakhs)	-	3.72
(ii) The Company has procured certain capital goods under EPCG Scheme at concessional rate of duty against commitment to fulfill export obligation. As on 31st March, 2019 the Company is contingently liable to pay differential custom duty Rs. 273.91 Lakhs (31 March 2018- Rs. 273.91 lakhs) on such procurement if on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow on this account.		
(iii) The Company has procured certain raw material under advance license at without payment of custom duty against commitment to fulfill export obligation. As on 31st March, 2019 the Company is contingently liable to pay custom duty Rs. 455.15 Lakhs (31 March 2018- Rs. 367.67 lakhs) on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow this account.		
<b>B Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Advances paid Rs. 0.6 Lakhs(31 March 2018- Rs. 6.88 Lakhs))	29.34	54.71
(ii) The Company has availed certain government subsidies/ grants. As per the terms and conditions, the Company has to continue production for specified number of years and others conditions failing which amount of subsidies availed alongwith interest, penalty etc. will have to be refunded.		

#### 33 Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)
	31/03/2019		31/03/2018	
<b>Derivatives</b>				
Forward contract	-	-	7.71	511.27
<b>Open Exposures</b>				
<b>Receivables</b>				
USD	26.63	1,842.18	14.02	911.55
EURO	0.03	2.12	-	-
AUD			0.98	49.26
<b>Payables</b>				
USD	5.23	361.93	18.37	1,195.02
EURO			(0.01)	1.12

#### 34 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

##### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended
	31/03/2019 31/03/2018
Contribution to government Provident Fund	68.56 70.21

##### (ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.





## SUNIL HEALTHCARE LIMITED

### A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	31/03/2019			31/03/2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	205.11	93.87	111.24	199.93	98.70	101.23
Included in profit or loss						
Current service cost	16.59	-	16.59	18.77	-	18.77
Interest cost / (income)	15.78	7.22	8.56	14.38	7.10	7.28
	<b>32.36</b>	<b>7.22</b>	<b>25.15</b>	<b>33.16</b>	<b>7.10</b>	<b>26.05</b>
Included in OCI						
Remeasurements loss / (gain)						
-Actuarial loss / (gain) arising from:						
-Demographic assumptions	-	-	-	-	-	-
-Financial assumptions	3.36	-	3.36	(5.92)	-	(5.92)
-Experience adjustment	(27.05)	-	(27.05)	5.46	-	5.46
-On plan assets	-	(0.85)	0.85	-	(0.13)	0.13
	<b>(23.69)</b>	<b>(0.85)</b>	<b>(22.84)</b>	<b>(0.45)</b>	<b>(0.13)</b>	<b>(0.33)</b>
Other						
Contributions paid by the employer	-	8.83	(8.83)	-	15.72	(15.72)
Benefits paid	(15.64)	(15.64)	0.00	(27.52)	(27.52)	-
	<b>(15.64)</b>	<b>(6.81)</b>	<b>(8.83)</b>	<b>(27.52)</b>	<b>(11.81)</b>	<b>(15.72)</b>
Balance as at 31 March	<b>198.14</b>	<b>93.43</b>	<b>104.72</b>	<b>205.13</b>	<b>93.85</b>	<b>111.23</b>

### B. Plan assets

Fund managed by insurer

	31/03/2019	31/03/2018
	100%	100%
	100%	100%

### C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	7.70%	7.20%
Expected rate of future salary increase	4.00%	4.00%
Mortality	100% of IALM	100% of IALM

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay Rs 104.72 Lakhs (31 March 2018- Rs. 111.23 Lakhs) in contribution to its defined benefit plans in the next year.

### D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31/03/2019		31/03/2018	
	Increase	Decrease	Increase	Decrease
Discount rate (+/-1% Movement)	(205.11)	210.46	(194.34)	217.41
Salary Growth rate (+/-1% Movement)	210.79	(186.88)	217.75	(193.89)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk - Assets and liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**35 Related party Transactions**
**A. Related parties and their relationships**
**i) Key Managerial Personnel (KMP) and their relatives**

Name	Relationship
Mr. Anil Kumar Khaitan	Key Management Personal
Ms. Sarita Khaitan	Wife of Key Management Personal
Mr. Ishan Khaitan	Son of Key Management Personal
Ms. Aanchal Khaitan	Relative of Key Management Personal
Mr. Kahaan Khaitan	Son of Key Management Personal
Mr. Rakesh Mohan	Independent Director (KMP) under IndAS
Mr. B P Srinivasan	Independent Director (KMP) under IndAS
Dr. Lata Singh	Independent Director (KMP) under IndAS
Mr. R C Khurana	Independent Director (KMP) under IndAS
Mr. Sanjay kumar Kaushik	Independent Director (KMP) under IndAS
Mr. Harish Pal Kumar	Independent Director (KMP) under IndAS w.e.f 13 Feb. 2019
Mr. Krishna Venkatachalam Rajan	Independent Director (KMP) under IndAS w.e.f 13 Feb. 2019

**B. Transactions with the above in the ordinary course of business**

Nature of Transaction	For the year ended	
	31/03/2019	31/03/2018
<b>a) Payments to Key Managerial Personnel and their relatives</b>		
<b>(i) Short-term Employee benefits</b>		
Mr. Anil Kumar Khaitan	29.31	28.93
Mrs. Sarita Khaitan	27.31	26.72
Mr. Ishan Khaitan	28.93	28.06
Mr. Kahaan Khaitan	17.58	17.12
Mrs. Anchal khaitan	5.68	6.03
Mr. Rakesh Mohan	0.93	0.70
Mr. B P Srinivasan	0.93	0.86
Dr. Lata Singh	0.87	0.70
Mr. R C Khurana	1.10	0.86
Mr. Sanjay kumar Kaushik	1.24	0.91
Mr. S N Balasubramanian	-	0.56
Mr. Harish Pal Kumar	0.11	-
Mr. Krishna Venkatachalam Rajan	0.11	-
<b>(ii) Long Term Employee Benefits</b>		
Mr. Anil Kumar Khaitan	-	14.93
Mrs. Sarita Khaitan	-	8.60
Mr. Ishan Khaitan	9.00	8.54
Mr. Kahaan Khaitan	3.28	2.83
Mrs. Anchal khaitan	1.07	0.93



## SUNIL HEALTHCARE LIMITED

### (iii) Post Employee Benefits

Mr. Anil Kumar Khaitan	16.38	9.29
Mrs. Sarita Khaitan	10.04	4.59
Mr. Ishan Khaitan	0.96	3.12
Mr. Kahaan Khaitan	0.35	1.17
Mrs. Anchal khaitan	0.11	0.38

### (iv) Rent, Repair and Maintenance

Mrs. Sarita Khaitan	24.78	24.63
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### (v) Loan Taken/repayment

Mr. Anil Kumar Khaitan	414.00	Nil
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### (v) Interest paid/payable

Mr. Anil Kumar Khaitan	19.57	Nil
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### Closing balance at the year end:

Mr. Anil Kumar Khaitan		
-Loan outstanding	414.00	-
-Interest Payable	19.57	-
-Salary Payable	2.73	4.05
Mrs. Sarita Khaitan		
-Rent Payable	19.12	-
-Salary Payable	3.03	1.54
Mr. Ishan Khaitan		
-Rent Payable	-	-
-Salary Payable	3.28	1.81
Mr. Kahaan Khaitan		
-Rent Payable	-	-
-Salary Payable	2.33	1.33
Mrs. Anchal khaitan		
-Rent Payable	-	-
-Salary Payable	0.81	0.65

### 36 Financial instruments - Fair values and risk management

#### I. Fair value measurements

#### A. Financial instruments by category

Particulars	As at 31/03/2019		As at 31/03/2018	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
<b>Financial assets</b>				
Investments - Non Current	-	10.51	-	10.00
Loans - Current	-	-	-	-
Trade receivables	3,924.21	-	4,814.25	-
Cash and cash equivalents	110.97	-	81.41	-
Bank balances other than above	158.36	-	401.88	-
Others				
Non Current	82.75	-	177.27	-
Current	99.01	-	43.65	-
	<b>4,375.31</b>	<b>10.51</b>	<b>5,518.46</b>	<b>10.00</b>
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Non-current	1,276.13	-	1,829.72	-
Current	3,915.51	-	3,858.40	-
Trade payables	2,291.00	-	1,796.58	-
Other - Current	540.99	-	556.27	-
	<b>8,023.63</b>	<b>-</b>	<b>8,040.97</b>	<b>-</b>

#### B. Fair value hierarchy



## SUNIL HEALTHCARE LIMITED

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

(c) To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

An explanation of each level follows underneath the table.

### Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March 2019				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Investments at FVTPL</b>					
Investments					
Non Current	10.51	-	10.51	-	10.51
Trade receivables	3,924.21	-	-	3,924.21	3,924.21
Cash and cash equivalents	110.97	110.97	-	110.97	221.94
Bank balances other than above	158.36	158.36	-	158.36	316.73
Others	-	-	-	-	-
Non Current	82.75	-	-	82.75	82.75
Current	99.01	-	-	99.01	99.01
<b>Total financial assets</b>	<b>4,385.82</b>	<b>269.34</b>	<b>10.51</b>	<b>4,375.31</b>	<b>4,655.16</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current	1,276.13	-	-	1,276.13	1,276.13
Current	3,915.51	-	-	3,915.51	3,915.51
Trade payables	2,291.00	-	-	2,291.00	2,291.00
Other - Current	540.99	-	-	540.99	540.99
Derivative liabilities	-	-	-	-	-
<b>Total financial liabilities</b>	<b>8,023.63</b>	<b>-</b>	<b>-</b>	<b>8,023.63</b>	<b>8,023.63</b>

There are no transfers between level 1 and level 2 during the year

### Fair value measurements as at 31st March, 2018

Particulars	As at 31 March 2018				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Non Current	10.00	-	10.00	-	10.00
Trade receivables	4,814.25	-	-	4,814.25	4,814.25
Cash and cash equivalents	81.41	81.41	-	-	81.41
Bank balances other than above	401.88	401.88	-	-	401.88
Others	-	-	-	-	-
Non Current	177.27	-	-	177.27	177.27
Current	43.65	-	-	43.65	43.65
<b>Total financial assets</b>	<b>5,528.46</b>	<b>483.29</b>	<b>10.00</b>	<b>5,035.17</b>	<b>5,528.46</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current	1,829.72	-	1,829.72	-	1,829.72
Current	3,858.40	-	3,858.40	-	3,858.40
Trade payables	1,796.58	-	-	1,796.58	1,796.58
Other - Current	556.27	-	-	556.27	556.27
<b>Total financial liabilities</b>	<b>8,040.97</b>	<b>-</b>	<b>5,688.12</b>	<b>2,352.85</b>	<b>8,040.97</b>

There are no transfers between level 1 and level 2 during the year

**II. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the President of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

During the year, the Company has taken the credit insurance policy for its domestic customers to mitigate the financial loss in case default in payment. Risk on export customers is covered through the ECGC Ltd.

The gross carrying amount of trade receivables is Rs. 3924.21 Lakhs (31 March 2018 – Rs.4814.25 Lakhs ).

During the period, the Company has written-offs of trade receivables of Rs. 265.25 lakhs pertains to previous years provisions. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

**Reconciliation of loss allowance provision – Trade receivables**

Particulars	31/03/2019	31/03/2018
Opening balance	-	265.25
Changes in loss allowance	45.00	(265.25)
<b>Closing balance</b>	<b>45.00</b>	<b>-</b>

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount 31/03/2019	Contractual undiscounted cash flows		
		Less than 1 Year	1-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>				
Non-current Borrowings	1,592.01	315.88	1,276.13	
Current Borrowings	3,915.51	3,915.51	-	-
Trade payables	2,291.00	2,291.00	-	-
Other current financial liabilities	225.10	225.10	-	-
<b>Total non-derivative financial liabilities</b>	<b>8,023.61</b>	<b>6,747.49</b>	<b>1,276.13</b>	<b>-</b>

Particulars	Carrying Amount 31/03/2018	Contractual undiscounted cash flows		
		Less than 1 Year	1-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>				
Non-current Borrowings	2,204.18	374.46	1,277.83	-
Current Borrowings	3,858.40	3,858.40	-	-
Trade payables	1,796.58	1,796.58	-	-
Other current financial liabilities	181.80	181.80	-	-
<b>Total non-derivative liabilities</b>	<b>8,040.96</b>	<b>6,211.25</b>	<b>1,277.83</b>	<b>-</b>

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**v. Currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR, AUD and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.



## SUNIL HEALTHCARE LIMITED

### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at 31/03/2019		As at 31/03/2018		
	USD	EUR	USD	EUR	AUD
Receivables	26.63	0.03	21.93	(0.01)	0.98
Payables	5.23	-	18.39	-	-
Forward Contracts	-	-	7.71	-	-
Net statement of financial position exposure	21.40	0.03	(4.16)	(0.01)	0.98

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
USD 1	69.89	64.48	69.17	65.04
EUR 1	80.93	75.42	77.70	80.62
AUD 1	-	49.88	-	50.12

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2019</b>				
USD (10% movement)	(148.03)	148.03	(106.84)	106.84
Euro (10% movement)	(0.21)	0.21	(0.15)	0.15
<b>31 March 2018</b>				
USD (10% movement)	27.05	(27.05)	19.53	(19.53)
Euro (10% movement)	0.11	(0.11)	0.08	(0.08)
AUD (10% movement)	(4.93)	4.93	(3.56)	3.56

### Interest rate risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both Non-current and Current. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	31/03/ 2019	31/03/ 2018
<b>Fixed-rate instruments</b>		
Financial assets	160.08	508.26
Financial liabilities	1,119.98	657.05
<b>Variable-rate instruments</b>	1,280.06	1,165.31
Financial assets	-	-
Financial liabilities	4,387.55	5,420.15
<b>Cash flow sensitivity analysis for variable-rate instruments</b>	4,387.55	5,420.15

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
<b>31/03/2019</b>				
Variable-rate instruments	(21.94)	21.94	(15.83)	15.83
<b>Cash flow sensitivity</b>	(21.94)	21.94	(15.83)	15.83
<b>31/03/2018</b>				
Variable-rate instruments	27.10	(27.10)	(18.14)	18.14
<b>Cash flow sensitivity</b>	27.10	(27.10)	(18.14)	18.14

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### 37 Segment Reporting

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's internal reporting structure.

The Board of Directors have been identified as the Chief Operating Decision Maker ("CODM"), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The company's board examines the Company's performance both from a product and geographical perspective and have identified two reportable segments of its business:

- Empty Capsules
- Marketing of Food Products

The Company's board reviews the results of each segment on a quarterly basis. The company's board of directors uses Earning Before Interest, Tax and Depreciation ("EBITDA") to assess the performance of the operating segments.



## SUNIL HEALTHCARE LIMITED

Particulars	Empty Capsules		Marketing of Food Products		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Revenue</b>						
Turnover (Net of Excise duty)	8,088.00	8391.7	31.60	741.79	8,119.60	9,133.49
<b>Total Revenue</b>	<b>8,088.00</b>	<b>8,391.70</b>	<b>31.60</b>	<b>741.79</b>	<b>8,119.60</b>	<b>9,133.49</b>
<b>Results</b>						
Segment Results Profit/(Loss)	670.58	1,265.70	(6.89)	(49.86)	663.69	1,215.84
Finance Cost					671.60	503.05
Unallocated Corporates/(Income)/(Net)					79.73	81.69
<b>Profit Before Tax</b>					<b>(87.64)</b>	<b>631.09</b>
Tax Expenses					(18.47)	181.70
<b>Profit after Tax</b>					<b>(69.17)</b>	<b>449.39</b>
<b>Other Information</b>						
Segment Assets	13,289.83	12,895.53	310.20	770.41	13,600.03	13,665.94
Unallocated Corporate Assets					182.06	554.29
<b>Total Assets</b>					<b>13,782.09</b>	<b>14,220.23</b>
Segment Liabilities	3,158.59	2,374.47	88.26	386.79	3,246.85	2,761.26
Unallocated Corporate Liabilities					350.58	653.06
Borrowings					5,507.52	6,062.58
<b>Total Liabilities</b>					<b>9,104.95</b>	<b>9,476.90</b>
Capital Expenditure					371.66	1,615.45
Depreciation & Amortisation					574.03	478.26

### Geographical information

The Empty Capsules, Marketing of Food Products segments are managed on a worldwide basis, but manufacturing facilities and sales offices are primarily in India.

The geographic information analyses, the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

Particulars	2018-19			2017-18		
	Within India	Outside India	Total	Within India	Outside India	Total
<b>Revenue from Operations</b>	<b>5,710.29</b>	<b>2,409.31</b>	<b>8,119.60</b>	<b>6,184.65</b>	<b>2,948.84</b>	<b>9,133.49</b>

All material non current assets except trade receivables are located in India.

### Major Customer

One of the major customers contribute more than 10% of the revenue from operation of the Group.

### 38 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The following table summarises the capital of the Company:

Particulars	31/03/2018	31/03/2017
Equity Share Capital (Note-13)	1,025.48	1,025.48
Other Equity (Note-14)	3,651.67	3,717.85
<b>Total Equity</b>	<b>4,677.14</b>	<b>4,743.34</b>
Non-Current Borrowings (Note-15)	1,592.01	2,204.18
Current Borrowings (Note-18)	3,501.51	3,858.40
<b>Total Debts</b>	<b>5,093.52</b>	<b>6,062.58</b>
<b>Total Equity and Debts</b>	<b>9,770.67</b>	<b>10,805.92</b>
<b>Gearing Ratio</b>	<b>0.52</b>	<b>0.56</b>

### 39 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting years.		
- Principal amount due to micro and small enterprises	49.69	59.69
- Interest due on above	1.59	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the 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	1.59	Nil
The amount of further interest remaining due and payable even in the succeeding periods, 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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil





## SUNIL HEALTHCARE LIMITED

### 40 Group information

Information about subsidiaries

S. No.	Name	Principal Activities	Country of Incorporation	% Equity Interest	
				As at 31 March 2019	As at 31 March 2018
1	Sunil Healthcare Mexico SA.De. CV.	Trading of Capsules	Mexico	99.97%	99.97%
2	Sunil Healthcare North America LLC	Trading of Capsules	USA	100.00%	100.00%

### 41 Statutory Group Information

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
Sunil Healthcare Limited								
Balance as at 31 March, 2019	105%	4,913.95	-26%	17.78	-23.8%	16.48	-52%	34.26
Balance as at 31 March, 2018	103%	4,879.69	118%	532.39	118%	(2.18)	117%	530.21
<b>Foreign Subsidiary</b>								
Sunil Healthcare Mexico SA.De. CV.								
Balance as at 31 March, 2019	15%	724.60	-14%	9.95	-14%	(5.64)	-7%	4.31
Balance as at 31 March, 2018	12%	569.25	13%	58.53	13%	5.12	14%	63.65
Sunil Healthcare North America LLC								
Balance as at 31 March, 2019	5%	243.21	64%	(44.54)	64%	(13.18)	87%	(57.72)
Balance as at 31 March, 2018	4%	202.27	-24%	(105.73)	-24%	0.12	-23%	(105.61)
Eliminations								
Balance as at 31 March, 2019	-26%	(1,204.62)	76%	(52.35)	76%	5.30	71%	(47.04)
Balance as at 31 March, 2018	-19%	(907.88)	-8%	(35.80)	-8%	0.06	-8%	(35.74)
Balance as at 31 March, 2019	100%	4,677.14	100%	(69.16)	100%	2.96	100%	(66.20)
Balance as at 31 March, 2018	100%	4,743.33	100%	449.39	100%	3.12	100%	452.51

42 Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

43 Previous year's figures have been regrouped/ recasted wherever necessary to confirm to the current year's Classification.

The accompanying notes are an integral part of these financial statements

As per our report of even date  
For JKVS & Co.  
(Formerly known as Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Reg. No. 318086E  
Kuldeep Maloo  
Partner  
M. No. 515708

Place: New Delhi  
Date: 30th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

ANIL KHAITAN  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN No. 00759951

R.C. KHURANA  
DIRECTOR  
DIN No. 00017354

SANTOSH KUMAR SHARMA  
COMPANY SECRETARY  
FCS No. 6817

PAWAN RATHI  
CHIEF FINANCIAL OFFICER

**SUNIL HEALTHCARE LIMITED****Notes to Consolidated Financial Statements for the year ended 31st March, 2019****(All amounts are in rupees lakhs, unless otherwise stated)****1 Reporting Entity**

The consolidated Financial Statements comprise financial statements of Sunil Healthcare Limited ("the Company or Parent Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2019. The Company is a public company domiciled in India and having registered office at 38E/252A, Vijay Tower, Shahpurjat, New Delhi.

The Group has manufacturing plant in Alwar (Rajasthan), India. The Group is a manufacturer of Empty Hard Gelatin and HPMC Capsule Shells. The Company is also doing "Trading of Food Items".

The consolidated financial statements of the company for the year ended 31st March 2019 were authorized for issue in accordance with a resolution of the directors on 30th May, 2019.

**2 Significant Accounting Policies**

The Group has consistently applied the following accounting policies to all periods presented in the Consolidated Financial Statements.

**2.1 Basis of preparation**

The Consolidated Financial Statements of the Group comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

**2.2 Basis of Consolidation**

"The Consolidated Ind AS Financials Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:• Has power over the investee;• Is exposed or has rights to variable return from its involvement with the investee, and• Has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above."

"When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:• The contractual arrangement with the other vote holders of the investee;• Rights arising from other contractual arrangements;• The Group's voting rights and potential voting rights• The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders."

"Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary."

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

List of entities considered in Consolidated Financial Statements are as disclosed in Note no. 33

**Consolidation procedure:**

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

**2.3 Basis of measurement**

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.

- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

- Level 2 : inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 : inputs are unobservable inputs for the asset or liability.

### 2.3 Functional and presentation currency

These consolidated financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

### 2.4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements have been given below:

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;

- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;

- Impairment test: key assumptions underlying recoverable amounts;

- Useful life and residual value of Property, Plant and Equipments;

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### 2.5 Classification of Assets and Liabilities as Current and Non-Current

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

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle.

- Held primarily for the purpose of trading

- Expected to be realised/settled within twelve months after the reporting period, or

- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 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.

All other assets/liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

### 2.6 Property, Plant and Equipment

#### Recognition and Measurement

"Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use.

Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any."

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate

items (major components) of property, plant and equipment.

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

#### **Subsequent Measurement**

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Group.

#### **Depreciation**

Depreciation on fixed assets is calculated on Straight Line Method using the rates arrived at estimated useful lives given in Schedule II of the Companies Act, 2013 or assessed by the Company on technical evaluation, as given below.

Plant and Machinery 15 to 40 years

Electrical Installation 15 to 40 years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Premium on Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

#### **Capital work-in-progress**

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

#### **De-recognition**

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the assets and it recognised in the Statement of Profit and Loss.

#### **2.7 Intangible assets**

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 6 years and Patent is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

#### **2.8 Non-current assets held for sale**

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

#### **2.9 Impairment of non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

#### **2.10 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

#### **2.11 Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### **2.12 Employee benefits**

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **Defined contribution plans**

Employee benefits in the form of Provident Fund (with Government Authorities) is defined as contribution plan and charged as expenses during the period in which the employees perform the services.

#### **Defined benefit plans**

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### **Other long-term employee benefits**

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

#### **2.13 Revenue Recognition**

##### **Sale of Goods**

The majority of the Group's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Group has determined when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer or its agent and the Group is entitled to receive payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts

and allowances. Revenue includes shipping and handling costs billed to the customer.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

#### **2.14 Inventories**

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

#### **2.15 Provisions, Contingent Liabilities and Contingent Assets**

Bases on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

#### **2.16 Measurement of fair value**

##### **a) Financial instruments**

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

##### **b) Derivatives**

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date.

#### **2.17 Financial instruments**

##### **Financial Assets**

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Classifications**

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

##### **Equity Instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

##### **Derecognition of financial assets**

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 Group 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 Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the

portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

**Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

**Financial liabilities**
**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

**Subsequent measurement**

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

**Financial Liabilities measured at amortised cost**

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.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

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.

**Derecognition of financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

**2.18 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group



will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

**2.19 Leases**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**2.20 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**2.21 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company.

**2.22 Standard issued but not yet effective**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April, 2019: The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

**(a) Amendment to Ind AS 116 Leases**

"Ind AS 116 – 'Leases' is applicable for the accounting period beginning from April 1, 2019. Ind AS 116 will replace the existing Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets (Right to use) and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The standard provide for two broad alternative transition approach- Retrospective Method and Cumulative Effect Method with practical expedient."

(b) Amendment to Ind AS 19 – plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements.

(c) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

(d) Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

(e) Ind AS 23 – Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Group is in the process of evaluating the impact of adoption of the above pronouncements on its financial statements.





## SUNIL HEALTHCARE LIMITED

### SUNIL HEALTHCARE LIMITED

Regd. Off; - 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049

Email: info@sunilhealthcare.com/ Website: www.sunilhealthcare.com

CIN-L24302DL1973PLC189662

45<sup>th</sup> Annual General Meeting -27<sup>th</sup> September, 2019

### ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting venue. Joint shareholders may obtain additional slip at the venue of meeting.

Name	
Registered Address	
Email Id : -	
Re. Folio No	
Client ID no *	
D P ID No *	
No of Share held	

- I. \*Applicable to all investors/ shareholders holding shares in Electronic Mode.
- II. I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.
- III. I hereby record my presence at the 45<sup>th</sup> Annual General Meeting of the Members of the Company will be held at 3.00 p. m. on Friday the September 27, 2019 at Shri Ram Hall, First Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, SIRI Institutional Area, August Kranti Marg, New Delhi-110016

Name of the Member / Proxy \_\_\_\_\_

Signature of the Member / Proxy \_\_\_\_\_



## SUNIL HEALTHCARE LIMITED

SUNIL HEALTHCARE LIMITED  
 Regd. Off; - 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049  
 Tel; +91-11-49435555/00, Fax; +91-11-43850087  
 Email: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)/ Website: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)  
 CIN-L24302DL1973PLC 189662  
 Form No. MGT 11  
**PROXY FORM**

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

Name	
Registered Address & Email Id;	
Re. Folio No/ Client ID no*	
D P ID No*	
No of Share held	

\*Applicable for investors holding shares in Electronic form.

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of Sunil Healthcare Limited hereby appoint the following as my/our Proxy to attend vote (for me/us and on my/our behalf at the 45<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 27<sup>th</sup> September, 2019 at 3.00 P.M. at Shri Ram Hall, First Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, SIRI Institutional Area, August Kranti Marg, New Delhi -110016 and any adjournment thereof) in respect of such resolutions as are indicated below;

- Name \_\_\_\_\_ Address \_\_\_\_\_  
 E mail id \_\_\_\_\_ signature \_\_\_\_\_ or falling him
- Name \_\_\_\_\_ Address \_\_\_\_\_  
 E mail id \_\_\_\_\_ signature \_\_\_\_\_ or falling him

Sr. No	Resolution	Ordinary/Special	For	Against
<b>Ordinary Business</b>				
1	To receive, consider and adopt the Annual Financial Statements (Both Standalone and Consolidated) of the Company for the financial year ended 31 <sup>st</sup> March, 2019.	Ordinary		
2	To approve retirement of Mrs. (Dr.) Lata Singh(DIN: 06947846), Non- Executive Director, who retires by rotation in the Annual General Meeting.	Ordinary		
<b>Special Business</b>				
3	To approve re-appointment of Mr. Sanjay Kumar Kaushik (DIN: 00329013) as an Independent Director of the Company for a second term of five consecutive years commencing from September 27, 2019 up to September 26, 2024, not liable to retire by rotation.	Special		
4	To approve appointment of Mr. Bejon Kumar Misra (DIN01015633), as an Independent Director of the Company for a second term of five consecutive years commencing from August 14, 2019 up to August 13, 2024, not liable to retire by rotation.	Ordinary		

This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution

Signed this \_\_\_\_\_ day on \_\_\_\_\_ 2019

Signature of Shareholders \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
One  
Rupees  
Stamp

### Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than the 48 hours before the commencement of the meeting.
- A Proxy need not be a member of the Company.
- In case of joint holders, the signature of any holder will be sufficient, but name of all the joint holders should be stated.
- For the Resolution, Explanatory Statement and notes, please refer to the Notice of 45<sup>th</sup> Annual General Meeting.
- It is optional to put an "✓" in the appropriate column against the resolutions indicated in the Box. If you leave the For or Against column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- Please complete all details including details of member(s) in the above box before submission.
- Undated proxy form will not be considered valid.
- If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

## OUR ORGANISATION

WORKS :	17-18, Old Industrial Area Alwar - 301 001	Telephone : 0144-301422 to 3014224 Fax : 0144-2373826 E-mail : <a href="mailto:info@sunilhealthcare.com">info@sunilhealthcare.com</a> Website : <a href="http://www.sunilhealthcare.com">www.sunilhealthcare.com</a>
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KOLKATA	25, Ganesh Chandra Avenue Kolkata - 700 013	Telephone : 033-22349308-10 Fax : 033-22116880 E-mail : <a href="mailto:suman@sunilhealthcare.com">suman@sunilhealthcare.com</a>
Mumbai	111, IVY Centre, 1st Floor 3, Prabhat Udyog Nagar Patel Estate, Off. S.V. Road Jogeshwari (West) Mumbai - 400 102	Telephone : 022-26789584, 26788102 Direct : 022-26789584 E-mail : <a href="mailto:suresh.kamath@sunilhealthcare.com">suresh.kamath@sunilhealthcare.com</a>



*If undelivered please return to:*

**Sunil Healthcare Limited**

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