SUNLOC

SHL/SEC/2018 May 28, 2018

Bombay Stock Exchange Limited
Listing Department,
Ist Floor, New Trading Ring,
Rotunda Building,
Phiroze JeeJeeBhoy Towers, Dalal Street, Fort
Mumbai – 400 001.

Company Code: **537253**

Sub.: INVESTOR RELEASE-SUNIL HEALTHCARE LTD. FINANCIAL PERFORMANCE IN FY18

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find attached Investor release on financial performance of the Company for the financial year ended on March 31, 2018.

We hope you will find the same in order, and take the information in your record.

Thanking you,

Yours sincerely,
for SUNIL HEALTHCARE LIMITED

28/05/2018 New Delhi

SANTOSH KUMAR SHARMA
COMPANY SECRETARY & COMPLIANCE OFFICER
F6817

Encl : As above
CC: Calcutta Stock Exchange Limited
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Sunil Healthcare Limited
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CIN No.: L24302DL1973PLC189662

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Investor Release

Sunil Healthcare Ltd. Financial Performance in FY18

EBITDA Margin Growth at 202bps YoY;

PAT Margin Growth at 44bps YoY;

Cash PAT Growth at 1.5% YoY.

Cash PAT Margin Growth at 154pbs YoY

Commissioned incremental 2bn p.a. capsules facility in Q4FY18

May 28, 2018, New Delhi - Sunil Healthcare Ltd, a leading manufacturer of Empty Hard Gelatin Capsules, has announced its Audited Financial Results for the Quarter and full year ended March 31, 2018. The Financial Results has been prepared as per Ind-AS.

Key Standalone Financial Highlights are as follows

Rs. In Millions	Q4FY18	Q4FY17	YoY %	12MFY18	12MFY17	YoY %
Net Revenue	**225.01**	**284.25**	**(20.8%)**	**894.94**	**1,020.82**	**(12.3%)**
EBITDA	53.53	39.62	35.1%	167.03	169.94	(1.7%)
EBITDA Margin	**23.8%**	**13.9%**	**985bps**	**18.7%**	**16.6%**	**202bps**
Profit Before Tax	24.54	16.94	44.9%	68.90	84.77	(18.7%)
PBT Margin	**10.9%**	**6.0%**	**495bps**	**7.7%**	**8.3%**	**(61bps)**
PAT	26.66	10.78	147.3%	53.20	56.19	(5.3%)
PAT Margin	**11.8%**	**3.8%**	**806bps**	**5.9%**	**5.5%**	**44bps**
Cash PAT	39.82	21.69	83.6%	101.06	99.54	1.5%
Cash PAT Margin	**17.7%**	**7.6%**	**1,007bps**	**11.3%**	**9.8%**	**154bps**

- During the year the company has successfully started manufacturing Hydroxypropyl methyl cellulose (HPMC) capsule in India, which is a high margin product
- We have also successfully commercialized the additional capacity of 2bn capsules p.a. during Q4FY18
- Revenues during the year were negatively impacted due to sustained pricing pressures arising out of sluggish demand domestically as well as overseas

- Despite tough industry scenario we have managed to post a robust performance outperforming the industry.
- Our Overseas subsidiaries have started to contribute to our revenues and we further aim to grow these businesses in FY 2018-19
- The Company has been ranked at 635th position in "Top 1000 High Growth Companies in Asia Pacific 2018" with 76% growth in Revenue and 20.7% CAGR during 2013 to 2016. This Study has been done by the Financial Times research Partner Statista

Commenting on the Standalone Results, Mr. D. Gnanasekaran (CEO) said, "FY18 was a challenging year for us where macro events such as GST implementation and stringent regulatory norms dented the industry's performance. However, the reduction of GST rates to 18% during the latter part of the year provided some respite.

Market conditions remain weak due to sluggishness in demand. Regulatory overhang resulting from stricter norms from the FDA worldwide, coupled with price controls in the Domestic market, have led to volume pressures. Further, supply issues with respect to APIs from China, due to volatility in prices have also lead to disturbances in filing schedules of Pharmaceutical companies.

However, despite tough market conditions we were able to post a robust performance aided by improving internal efficiencies and better cost controls.

During the year we commercialized an additional capacity of 2bn capsules, thereby taking our total capacity to 13bn capsules p.a. With this we further strengthen our position in the industry. We are well equipped to take advantage of the improving industry scenario when the tide turns.

Sales in our Foods division was impacted due to large price erosion of our finished product. We made a conscious call to not expose ourselves to vagaries of this challenging market in FY18."

The Capsules Division Standalone performance is as follows

Rs. In Millions	Q4FY18	Q4FY17	YoY %	12MFY18	12MFY17	YoY %
Net Revenue	**224.10**	**203.55**	**10.1%**	**820.76**	**825.34**	**(0.6%)**
EBITDA	55.53	38.56	44.0%	172.02	171.19	0.5%
EBITDA Margin	**24.8%**	**18.9%**	**583bps**	**21.0%**	**20.7%**	**22bps**
Profit Before Tax	26.54	15.88	67.1%	73.89	86.02	(14.1%)
PBT Margin	**11.8%**	**7.8%**	**404bps**	**9.0%**	**10.4%**	**(142bps)**
PAT	28.63	10.07	184.3%	57.17	57.03	0.2%
PAT Margin	**12.8%**	**4.9%**	**783bps**	**7.0%**	**6.9%**	**6bps**
Cash PAT	41.79	20.98	99.2%	105.03	100.38	4.6%
Cash PAT Margin	**18.6%**	**10.3%**	**834bps**	**12.8%**	**12.2%**	**63bps**

The pharmaceutical industry continues to feel the pinch of pricing pressure as enunciated above.

Despite the challenging industry scenario, we are pleased to report 10.1% growth in our Capsules Business Revenues, 44% growth in EBIDTA and 583bps margin expansion on the EBIDTA front in Q4FY18 vis-à-vis Q4FY17. Commensurately, our PBT/PAT and PBT/PAT margin during Q4FY18 have gone up by 67.1%/184.3% and 404/783bps, respectively, as compared to Q4FY17.

Profitability for Q4FY18 was positively aided by adoption of cost control measures across our Organisation. Leverage from operational efficiencies alongside sales brought in from HPMC have led to better performance. Further our forex hedging policies accrued us positive gains on the forex front.

As we had stated during the previous quarter, we are confident to maintain higher utilization rates on our increased capacity as well. Our focus to enter into new geographies and tap new clients shall result into better operational performance and sail through the difficult times

Way Ahead

We will continue to focus on new customer acquisition in India and overseas to further broaden our customer base. This will help alleviate the mismatch between demand and supply as currently observed. We will further try to deepen our HPMC customer base so as to take advantage of higher margins. We are prepared to face the challenges and continue to grow at a steady pace.

About Sunil Healthcare Ltd

Sunil Healthcare Ltd, is the second largest manufacturer of Empty Hard Gelatin Capsules in India. A GoI recognized Star Export House, ~50% of revenues are from exports. 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. For more information, please visit the company website www.sunilhealthcare.com

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further details please contact

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