

SUNIL HEALTHCARE LIMITED**REPORT ON CORPORATE GOVERNANCE:**

In compliance with Corporate Governance requirements as prescribed by SEBI and inculcated in Clause 49 of the Listing Agreement with Stock Exchange's, the Company's Report on Corporate Governance for the year ended 31st March, 2015 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 large. It strongly believes that this relationship can be built & strengthened through corporate fairness, transparency and accountability.

(A) Company's Philosophy on 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 Directors confirm the practice of good Corporate Governance codes by the Company in true spirit and are pleased to present below the report on it.

(B) Role of the Company Secretary in overall governance process

The Company Secretary plays a key role in ensuring that the Board 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 advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

(C) 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.

The Board of Directors of the Company has an optimum combination of Executive and Non-executive Directors with not less than fifty percent of the Board of Directors comprising of Non-executive Directors. The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Agreement. 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 positions of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals, where the Chairman of the Board is an Executive Chairman cum Managing Director. None of the Directors of the Company are related to each other.

(a) The Board of Directors of the Company consists of nine directors comprising one Executive Director and five Non-Executive Independent Directors and three are Non-Executive Directors. The non-executive Directors are eminent professionals with wide range of knowledge and experience in business, industry administration and finance Composition of the Board of Directors as at 31st March 2015 is as follows:

S.N.	Name of the Director	Category	Other Boards Particulars			
			Director Ships (A)	Chairman Ship (B)	Committee (s) (C) (Including SHL)	
					Chairman ship	Memb ership
1	Mr. Anil Khaitan	Executive	2	-	1	-
2	Mr.S.N.Balasubramanian	Independent / Non-Executive	--	-	-	6
3	Mr. Joginder Singh IPS (Retd)	Independent / Non-Executive	4	-	3	-
4	Mr. Rajat Kumar Niyogi IPS (Retd.)	Non-Executive	-	-	1	-
5	Mr. Sanjay Kumar Kaushik	Independent / Non-Executive	1	-	-	4
6	Mr. B. P. Srinivasan	Non-Executive	-	-	-	-
7	Mr. Ramesh C Khurana	Independent / Non-Executive	-**	-	1	3
8	Dr. Lata Singh IAS (Retd)#	Non-Executive	-	-	-	-
9	Dr. Ranjeet Bannerji@	Independent /Non-Executive	-	-	-	2

Notes:

- Directorship in other companies.
- Chairmanship in other companies.
- Committee includes Stakeholder Relationship Committee, Audit Committee, Nomination and Remuneration Committee, CSR Committee, Risk Management Committee and Independent Director Committee.
- None of the director is related to any other director.
 ** Mr. R C 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 Company as on date.
 #Dr. Lata Singh was appointed as a Director on 13.08.2014.
 @Dr. Ranjeet Bannerji was appointed as an additional director on 10.11.2014 and further he was re-appointed as an Independent Director on 11.02.2015 with subject to the members of the company

- (b) The Board of Directors of the Company meets at least four times a year, with a maximum gap of four months between the two meetings to consider amongst other business, the quarterly performance of the Company and financial results. The Board of Directors of the Company held four meetings during the financial year 2014-15 on 24.05.2014, 13.08.2014, 10.11.2014 and 11.02.2015.

The attendance of each Director at these meetings was as follows:

S No	Name of the Director	No. of Board Meeting Held	No. of Board Meetings Attended	Attendance at last AGM
1	Mr. Anil Khaitan(Chairman Cum Managing Director)	4	4	Yes
2	Mr. S N Balasubramanian	4	4	No
3	Mr. Joginder Singh IPS (Retd.)	4	4	Yes
4	Mr. Sanjay Kumar Kaushik	4	4	No
5	Mr. Rajat Kumar Niyogi IPS (Retd.)	4	4	No.
6	Mr. B. P. Srinivasan (Prof.)	4	3	No.
7	Mr. Ramesh C Khurana	4	4	Yes
8	Dr. Lata Singh IAS (Retd)	4	3	No
9	Dr. Ranjeet Bannerji	4	1	No

- (c) 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.

(d) Board Independence: - Our definition of 'Independence' of Directors is derived from Clause 49 of the Equity Listing Agreement 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 Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

(e) The information made available to the Board.

Among others, includes:

- Annual operating plans of business, capital budgets, and updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Company's annual Financial Result, Financial Statement. Audit Report and Board Report.
- Minutes of meeting of the Audit Committee and other committees.
- Information on recruitment and remuneration of senior officers just below the board level.
- Materially important show cause, demand, prosecution and penalty notices.
- Serious accidents or dangerous occurrences if any.
- Any materially significant effluent or pollution problems.
- Any materially relevant defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability, claims of a substantial nature.
- Details of any joint venture or collaboration agreement, if any.
- Transactions that involves substantial payment towards goodwill, brand equity, or intellectual property, if any.
- Significant developments in the human resources and industrial relation fronts.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement and,
- Non- compliance of any regulatory or statutory provisions or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.
- Litigation on or by the Company, if any.
- Show Cause notice of material significance, if any.
- Appointment , remuneration and resignation of Directors
- Formation/reconstitution of Board Committees
- Disclosure if Directors interest and their shareholding
- Appointment and removal of key managerial person (KMP) and officers one level below KMP
- Dividend declaration
- Statement of significant transactions, related party transactions and arrangements entered by unlisted subsidiary companies
- And other information as required.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board meetings.

(f) The brief details of director (s) retiring by rotation and seeking re-appointment under section 149, 152 and 160 of the Companies Act-2013, is appended to the notice convening the 41th Annual General Meeting. The Company did not have any pecuniary relationship/ transaction with Non Executive Directors during the year except the sitting fees paid to them for attending the Board Meeting and Committee Meeting.

(g) The Board of Directors of the Company has laid down a Code of Conduct for all Board members and members of senior management of the company. The Board Members and senior management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2015 by signing the respective Code of Conduct's.

(D) 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 minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. The Board has currently established the following statutory and non-statutory Committees

- I. Audit Committee.
- II. Nomination & Remuneration Committee (formerly known as Selection & Remuneration Committee)
- III. Stakeholder Relationship Committee. (formerly known as Shareholders & Investor Grievance Committee)
- IV. Corporate Social Responsibility Committee
- V. Risk Management Committee
- VI. Independent Directors Committee

(I) Audit Committee:-

Constitution

The Audit Committee seeks to ensure both corporate governance and provides assistance to the Board of Directors in fulfilling the Board's overall responsibilities. The Audit Committee of the Company is constituted, caring with the provisions of clause 49 of the Listing Agreement entered into with the Stock Exchanges read with Section 177 of the Companies Act-2013.

Composition & Role of Audit Committee

A qualified and independent Audit Committee shall be set up having a minimum of three non-executive independent directors as members. The Audit Committee presently comprises of three members viz. Mr. Ramesh Chander Khurana, Mr. S. N. Balasubramanian, and Mr. Sanjay Kumar Kaushik. Mr. R C Khurana is the Chairman of the Audit Committee. Nomination of Mr. Rajat Kumar Niyogi was removed from the Audit Committee from 13.08.2014. All the members of the committee possess good knowledge of finance, accounts and basic elements of Company Law.

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 24, 2014, have approved new terms of reference for the Audit Committee and thereupon the revised terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Clause 49 (III) (C) of the Listing Agreement.

Powers of the Audit Committee

- ❖ To investigate any activity within its terms of reference
- ❖ To seek information from any employee
- ❖ To obtain outside legal or other professional advice
- ❖ To secure attendance of outsiders with relevant expertise, if it considers necessary

The Role of Audit Committee includes 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, focusing primarily on:
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualification in draft Audit Report.
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Significant adjustment arising out of Audit.
 - The going concern assumption.
 - Compliance with Accounting Standards.
 - Compliance with Stock Exchange and Legal requirements concerning financial statements.

- Any Related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- 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
- a) To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors
- b) To look into the reasons for substantial default in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The Audit Committee met four times during the financial year 2014-15 on 24.05.2014, 13.08.2014, 10.11.2014 and 11.02.2015

The Composition of the Audit Committee of the Company and the attendance of each Director at these meeting was as follows:

S.No	Members of Audit Committee	Category	No. of Meeting Held	No of Meeting attended	Whether last AGM attended
1	Mr. Ramesh Chander Khurana	Non-executive Independent Director	4	4	Yes
2	Mr. S N Balsubramanian	Non-executive Independent Director	4	4	No
3	Mr. Sanjay Kumar Kaushik	Non-executive Independent Director	4	4	No
4	Mr. Rajat Kumar Niyogi IPS (Retd.)*	Non-executive Director	4	1	No.

Note:-

*There has been one change in the composition of Audit Committee since the last Annual general Meeting of the Company as stated above that the board of directors of the Company in their meeting held on 13.08.2014 had decided to remove the name of Mr. Rajat Kumar Niyogi IAS (Retd.)

(II) Nomination & Remuneration Committee (formerly known as Selection & Remuneration Committee)

Constitution

The Nomination & Remuneration Committee has been constituted in order to bring about objectivity in determining the final selection & remuneration package while striking a balance between the interest of the Company and the shareholders.

Composition

The Nomination & Remuneration Committee presently comprises of three members' viz. Mr. Joginder Singh IPS (Retd.), Mr. Sanjay Kumar Kaushik and Mr. S N Balasubraminam. Mr. Joginder Singh IPS (Retd) is the Chairman of the Committee. The board of directors of the Company in their meeting held on 13.08.2014 had included the name of Mr. S N Balasubramaniam in place of Mr. Rajat Kumar Niyogi IAS (Retd.)

During the year 2014-15 only two meeting of Committee was held on 24.05.2014 and 13.08.2014 on the following matters:-

1. Renewal in the remuneration payable to Chairman Cum Managing Director of the Company.
2. Renewal of remuneration of Mr. Kahaan Khaitan – Sr. Vice President Procurement of the Company
3. Re-appointment of CEO of the Company
4. Recommend the Renewal in the Remuneration of CEO of the Company
5. Recommend the renewal of remuneration of Mr. Pawan Rathi, CFO of the Company
6. Recommend the promotion and renewal of remuneration of Mr. Virendra Garg, AGM legal cum Company Secretary of the Company
7. Recommend the re-appointment of Mr. R C Khurana Independent Director of the Company
8. Recommend the re-appointment of S. N. Balasubramanian Independent Director of the Company
9. Recommend the re-appointment of Mr. Joginder Singh Independent Director of the Company
10. Recommend the re-appointment of Mr. Sanjay Kaushik as an Independent Director of the Company
11. Recommend the appointment of Mrs. Lata Singh as a Women Additional Director of the Company
12. Regularization of Women (Additional) Director
13. Recommend the performance incentive to Mr. Ishan Khaitan President Operation & Marketing
14. To consider and approve the Nomination & Remuneration Policy

Remuneration Paid to Directors and Key Managerial Personal

The details of remuneration paid to all the Executive and Non -Executive Directors during the year ended 31st March 2015 are given below:-

S. No	Name	Salary & Allowances	Perquisites	Sitting Fees	Total
1	Mr. Anil Khaitan (Chairman cum Managing Director)	2698122	150522	---	2848644
2	Mr. Joginder Singh IPS (Retd. & former CBI Director) (Independent Director)	-	-	68000	68000
3	Mr. Sanjay Kumar Kaushik (Independent Director)	-	-	85000	85000
4	Mr. S.N. Balasubramanian (Independent Director)	-	-	85000	85000
5	Mr. Rajat Kumar Niyogi (IPS Retd)	-	-	68000	68000
6	Mr. B. P. Srinivasan	-	-	25500	25500
7	Mr. R C Khurana (Independent Director)	-	-	85000	85000
8	Dr. Lata Singh	-	-	25500	25500
9	Dr. Ranjeet Bannerji (Independent Director)	-	-	8500	8500
10	Mr. D Gnanasekaran (CEO)	4104408	556704	-	4661112
11	Mr. Pawan Rathi (CFO)	1422215	13667	-	1435822
12	Mr. Virendra Garg AGM (Legal cum Company Secretary)	791730	25224	-	816954

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 24, 2014, have approved the change in nomenclature of the Remuneration Committee to Nomination and Remuneration Committee and have revised their role as under:

The revised role of the Nomination and Remuneration Committee, inter-alia, includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity

Policy for selection and appointment of members of Board and Key Managerial Personnel and Senior Management Personnel and their remuneration

The Nomination and Remuneration Committee has adopted Policy for the members of Board and Key Managerial Personnel and Senior Management Personnel. The aims and objectives of this remuneration policy may be summarized as follows:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation
3. The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
4. The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
5. The remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
6. The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Criteria of selection of Non-Executive Directors

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management. In case of appointment of Independent Directors the Nomination & Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Nomination & Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Nomination & Remuneration Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields:-
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

Remuneration to Non-Executive Directors

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Committee of Board of Directors is Rs. 8,500/- per meeting. 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;

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 determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors and Shareholders of the company in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. As a policy, the Executive Directors are neither paid sitting fee nor any commission. The details of the policy are available on the website of the company i.e (www.sunilhealthcare.com)

(III) Stakeholder Relationship Committee (formerly known as Shareholders & Investor Grievance Committee)

The terms of reference of the Committee include reviewing and redressing complaints from various security holders such as shareholders, debenture holders and any other security holders such as non-receipt of dividend, non-receipt of interest on debentures, annual report, transfer of shares or debentures, issue of duplicate share / debenture certificates, etc.; to oversee and review all matters connected with transfers, transmissions dematerialization, rematerialization, splitting and consolidation of securities issued by the company; to oversee the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services; to review/take note of various investors presentations /communication with stakeholders; and to perform any other function, duty as stipulated by the Companies Act, Securities & Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as amended from time to time. This committee shall be designated as 'Stakeholder Relationship Committee (formerly known as Shareholders & Investor Grievance Committee)'.

Board vide resolution dated 23rd May 2007, had Authorised to Managing Director and Secretary of the Company to give effect to the Share Transfers and report the same to Board Members in the subsequent Board Meetings. The transfer / transmission formalities are processed as and when they received. Mr. Virendra Kumar Garg, Company Secretary has been designated the Compliance Officer for the Stock Exchange as well for investor queries / complaints and the Insider Trading Code.

The Stakeholder Relationship Committee consists of following Members:-

1. Mr. Sanjay Kumar Kaushik
2. Mr. S N Balasubramaian

Note:

The board of directors of the Company in their meeting held on 13.08.2014 had included the name of Mr. S N Balasubramaian in place of Mr. Rajat Kumar Niyogi IAS (Retd.)

The Committee met 14 times during the financial year 2014-15 on 20.05.2014, 23.06.2014, 30.06.2014, 12.07.2014, 04.08.2014, 21.08.2014, 10.09.2014, 10.10.2014, 10.11.2014, 20.11.2014, 10.12.2014, 31.12.2014, 12.01.2015 and 10.03.2015

During the financial year only one investor grievance was received. The status of investor queries/complaints was nil mention as under:

S.No	No. of Investor Queries/Complaints received in the year 2014-15	Pending at the end of the year	No of Pending Share Transfers
1	1	Nil	Nil

(IV) Corporate Social Responsibility Committee

Constitution

Although it is not mandatory for the company to constitute the CSR Committee as per the provision of Section 135 of Companies Act-2013 but the company has decided to be pro-active in its CSR Activities. The terms of

reference of the Committee include formulation and recommendation 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 the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy; monitor the CSR Policy of the Company from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the company and perform any other function or duty as stipulated by the Companies Act, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

In this regards SHL trying to create awareness among the Masses about Girl and boys Child Education, Menstrual Hygiene, Sanitation and Safe Drinking Water and trying to relate how Girl & boys Child education is directly suffering due to bad sanitation facilities, unsafe drinking water and lack of knowledge to obtain the same. Also communicate and advocates for the need to address the fact that most of schools in Alwar District, Rajasthan does not have separate toilets for girls, some schools only have a single toilet that is so unclean and some of the toilet in schools are defunct and not used- and that carries not only the risk of disease but the risk of sexual harassment - that girls opt to drop out of school. This is particularly the case with adolescent girls, who may lack access to a vending machine at school with sanitary napkins during menstruation, and during menstruation days due to unavailability of toilets in the schools they skip the school every month for about 5 or 6 days and later on this results in dropping out of school due to absenteeism, and keeping a pace with studies. The CSR policy of the Company for the next five Years shall be "To concentrate on Sanitation in the Alwar Dist., Rajasthan." The CSR project shall be known as "HUMARA SWACCH SAUCHALYA"

Our CSR Objectives

- To developing toilets and sanitations
- To provide the better health and lower morbidity rates in the population.
- Better school attendance and retention of the children in higher classes
- A cleaner environment
- Green Solutions- re-use / recycling of wastage
- To Provide privacy & comfort to school children specially girl children and female teachers
- To Act as a " demonstration model/learning tools" for school children and community
- To include behavioral changes in the school children by using toilets and urinals
- Increased awareness of the importance of sanitation and hygiene and the need to develop a more permanent strategy

The CSR committee shall guide, approve & review CSR activity and recommend the amount to be expenditure to be incurred on the CSR activities to the board of directors of the company time to time.

Composition

The Corporate Social Responsibility Committee presently comprises of three members' viz. Mr. Joginder Singh IPS (Retd.), Mr. Ramesh Chandra Khurana and Mr. S N Balasubraminam. Mr. Joginder Singh IPS (Retd) is the Chairman of the Committee and all are independent directors. During the financial year a meeting of CSR Committee was conducted on dated 24.04.2014 to discuss and approved the draft CSR Policy of the Company. During the year, the Company has spent Rs 11.63 Lakh (around 5.24% of the average net profits of last three financial years) on CSR activities ie on sanitation by making the toilet at various schools and villages of the Alwar District. The details of the policy are available on the website of the company I e (www.sunilhealthcare.com)

(V) RISK MANAGEMENT COMMITTEE

Constitution

In accordance with the requirement of Listing Agreement, your Company constituted a Risk Management Committee during the year. 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 purpose of the Board of Director's Risk Management Committee of company is to approve and periodically review the primary risk-management policies of the company's global operations risk management framework and assist to the Board in fulfilling its Corporate Governance oversight responsibilities with regard to the

identifications, evaluations and mitigations of operational, strategic Financial, Compliance and external environment risk. The Committee has overall responsibility for monitoring and approving the risk policies and associates practices of the Company. The risk Management Committee is also responsible for reviewing and approving risk disclosure statement in any public documents or disclosures. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. This policy is in compliance with the amended Clause 49 of the Listing Agreement which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The details of the policy are available on the website of the company www.sunilhealthcare.com

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.

The objectives and scope of the Risk Management Committee broadly comprise of:-

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

Composition

The Risk Management Committee has constituted by the board of directors of the company in their meeting held on 11th February, 2015 as per the requirement of the Companies Act-2013 and Clause 49 of the Listing Agreement. There are four members of the company ie Mr. R K Niyogi, Mr. Ramesh Chandra Khurana, Mr. S N Balasubraminam and Dr. Ranjeet Bannerji. Mr. Rajat Niyogi is the Chairman of the Committee.

(VI) INDEPENDENT DIRECTOR MEETING

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter alia*, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are discuss matters pertaining to the Company's affairs and put forth their views to the chairman of the Independent Director Committee Meeting. Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Independent Directors met on March 25, 2015, *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.

All the independent Directors were present at the meeting except Mr. Sanjay Kaushik and Dr. Ranjeet Bannerji

Composition

The Independent Directors Committee presently comprises of five members' viz. Mr. Joginder Singh IPS (Retd.), Mr. Sanjay Kumar Kaushik and Mr. S N Balasubraminam, Mr. R C Khurana and Dr. Ranjeet Bannerji. Mr. Joginder Singh IPS (Retd) is the Chairman of the Committee.

Board Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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, Nomination & Remuneration and Compliance Committees. 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.

(E) General 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
40 th AGM held for the FY 2013-14	38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049	Saturday, 27 th September, 2014	<ol style="list-style-type: none"> 1. Adoption of new Article of Association of the Company as per Companies Act-2013. 2. Rectification of resolution of borrowing power of the board 3. Rectification of resolution of sale /dispose/mortgage power of the board 4. Approval of performance incentive to the relative of CMD
39 th AGM held for the FY 2012-13	38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049	Saturday, 20 th July, 2013	<ol style="list-style-type: none"> 1. Renewal of Remuneration of Ishan Khaitan President - Operation & Marketing of the Company 2. Renewal of Remuneration of o Mr. Anil Khaitan CMD of the Company
38 th AGM held for the FY 2011-12	38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049	Monday, 16 th July, 2012	<ol style="list-style-type: none"> 1. Renewal of Remuneration of Ishan Khaitan President - Operation & Marketing of the Company 2. Reappointment and renewal of Remuneration of o Mr. Anil Khaitan CMD of the Company

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 2014-15. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

(F) Disclosures

- a) **Related Party Transactions:** The Company has implemented as Related Party Transaction Policy as per requirement of Section 188 of the Companies Act-2013 read with relevant Rules as well as the Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time. The policy also seeks to ensure that related party transactions are appropriately reported to the regulatory authorities

and are also in compliance with other regulatory requirements like the Income Tax Act, 1961, the Accounting Standards, etc. The Audit Committee of Board ("Audit Committee"), shall review, approve and where permitted ratify Related Party Transactions based on this Policy in terms of the requirements under the above regulatory provisions as applicable. The details of RPT have been disclosed under Note no. 29.5 in the "Notes to the Financial Statement" to the accounts for the year under review. The details of Related Party Transaction Policy are available on the website of the company (www.sunilhealthcare.com).

- b) The Company has complied with all the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI, as applicable.
- c) 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.
- d) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- e) **CEO and CFO Certification:** - The Chairman cum Managing Directors and the Chief Financial Officer of the Company give annual certification on the financial reporting and internal control to the Board in terms of Clause 49 of the Listing Agreement and the same is published in this report.
- f) **Whistle Blower Policy/ Visil Mechanism :** The company has implemented the Whistle Blower Policy pursuant to which Whistle Blowers can raise concerns relating to Reportable Matters (defined in the policy) such as breach of SHL Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/misappropriation of companies funds/assets, etc. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The details of complaints received and the action taken are reviewed periodically by the Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The details of Whistle Blower Policy are available on the website of the company (www.sunilhealthcare.com).
- g) **Sexual Harassment of the employee policy:** The Sunil Healthcare Limited, (SHL), is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. Sexual harassment violates an individual's fundamental rights and personal dignity, is unlawful, and will not be tolerated by the Company. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place if involving employees is a grave offence and is, therefore, punishable. None of the complaint has been received by the company during the year. The details of Sexual Harassment of the employee Policy are available on the website of the company (www.sunilhealthcare.com).
- h) **The Secretarial Audit Report :-** The Company has also undertaken Secretarial Audit for the year 2014-15 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999. The Secretarial Audit Report is part of this Annual Report.
- i) **Familiarization Programme:** All newly inducted non-executive directors on the Board are introduced to Company through appropriate orientation, presentations, made by executive director and senior management to provide an overview to the company's operation and to familiarise them with our operations. They are also introduced to our organisation structure, products, Board Procedures, matters reserved for Board, our major risks and risks management strategy.

(G) Means of Communication

- All material information about the Company is promptly sent to the Stock Exchanges where the Shares of the Company are listed.
- 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.
- The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website (www.sunilhealthcare.com)

- 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).
- **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.
- **Reminder to Investors:** Reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures are sent to shareholders/debenture holders as per records every year.

(H) Corporate Ethics

- a) **Code of Conduct for Prevention of Insider Trading**
The Company has instituted a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances. Mr. Virendra Kumar Garg, Company Secretary has been appointed as Compliance Officer and is responsible for adherence to 'Code for Prevention of Insider Trading'.
- b) **Combined Code of Corporate Governance & Conduct**
To be in sync with international standards of Corporate governance and to be in line with the needs of the dynamic market, the Company has adopted Combined Code of Corporate governance and Conduct which is being used as a tool to exceed and excel through better Corporate governance and fair and transparent practice.
- c) **Code of Conduct**
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 Non-executive Directors including Independent Directors 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). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Company's Chairman cum Managing Director is published in this Report

(I) General Shareholder's Information

- (a) **Annual General Meeting :-**
Date, Time and Venue : Saturday, 26 September, 2015 at 3:00 p.m.
: Modi Hall, Ground Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, SIRI Institutional Area, August Kranti, Marg New Delhi-110016
- (b) **Financial Calendar:- (Tentative)**
Financial Year : 1st April, 2015 to 31st March, 2016
1st Quarterly Results : 4th week of July, 2015
2nd Quarterly Results : 4th week of October, 2015
3rd Quarterly Results : 4th week of January, 2016
4th Quarterly Results : 4th week of April, 2016
- (c) **Book Close Date** : 18th September, 2015 to 25th September, 2015 (both days inclusive)
- (d) **Listing of Equity Shares on stock exchanges:** Bombay and Kolkata Stock Exchange
Note: During the year security of the company has been delisted from Jaipur & Delhi Stock exchanges
- (e) **Script Code:** : 537253 at BSE Limited
- (f) **Market Price Data: - High & Low during each month in the financial year 2014-15 as Under:-**

Month	High Price	Low Price	No. of Trades	No. of Shares	Total Turnover (Rs.)
Apr-14	22.50	18.50	154	9310	185056
May-14	23.85	17.30	320	20521	423725
Jun-14	31.90	20.90	718	117392	3352846
Jul-14	31.80	24.90	208	23852	701320

Aug-14	31.00	24.00	346	32591	940150
Sep-14	32.25	25.50	471	38241	1088986
Oct-14	35.00	24.80	482	35718	1041355
Nov-14	31.80	27.10	423	55635	1645206
Dec-14	31.90	27.00	673	87937	2618631
Jan-15	72.25	30.80	1858	133434	7049567
Feb-15	56.00	31.25	1223	81006	3388048
Mar-15	39.45	31.40	593	43204	1541341

- (g) There are no outstanding GDR's/ ADR's /Warrants or any Convertible instruments which would have any impact on the Equity.
- (h) **Registrar & Transfer Agent: -**
Alankit Assignments Limited -RTA Division, Alankit Height 1E/13 Jhandelwala Extension New Delhi - 110055, Tel: 91-114254 1234 Fax: 91 11 2794 7384 www.alankit.com/info@alankit.com.
- (i) **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.
- (j) **Distribution of Shareholding & shareholding pattern**

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2015

No. of Shares Range	No. of Shareholders	% of Shareholders	Value of Shares Held	% of Shareholding
1 to 5,00	5644	93.97	620699	6.05
501 to 1,000	200	3.33	152339	1.49
1,001 to 2,000	97	1.62	142717	1.39
2,001 to 3,000	13	0.22	32527	0.32
3,001 to 4,000	14	0.23	48395	0.47
4,001 to 5,000	5	0.08	22472	0.22
5,001 to 10,000	12	0.20	85921	0.84
10,001 to 50,000	14	0.23	354069	3.45
50,001 to 100,000	1	0.02	57750	0.56
and above	6	0.10	8737861	85.21
Total	6006	100.00	10254750	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH 2015

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	0.05	7540305	73.53
Banks/Financial Institutions/ Insurance Companies/Mutual Funds etc.	7	0.12	10476	0.10
NRI's and OCB's	15	0.25	4963	0.05
Other Bodies Corporate	95	1.58	1452494	14.16
Indian Public	5886	98.00	1246512	12.16
Total	6006	100.00	10254750	100.00

- (k) **Dematerialization of Shares**
ISIN NO. INE 671C01016
 97,07,825 shares of the Company are being held in Demat form as on 31st March 2015 with NSDL /CDSL.
- (L) **Corporate Identity Number (CIN)**
 Our Corporate Identity Number (CIN), allotted by **Ministry of Company Affairs**, Government of India is **L24302DL1973PLC189662**.
- (m) **Compliance officer**
 Mr. Virendra Kumar Garg
 AGM Legal cum Company Secretary
 M/s Sunil Healthcare Limited
- (n) **Factory Location: -** 17/18 Old Industrial Area, Alwar-301001
- (o) **Address for Correspondence:-**
 Works: 17/18 Old Industrial Area, Alwar-301001
 Regd off 38E/252A, Vijay Tower, Shahpurjat, New Delhi- 110049
 R & T Agent- Alankit Assignments Limited -RTA Division, Alankit Height 1E/13
 Jhandelwalan Extension New Delhi -110055, Tel: 91-114254 1234 Fax: 91
 11 2794 7384 www.alankit.com/info@alankit.com

Compliance Certificate;

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Clause 49 of the Listing Agreement, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

Brief resume of persons proposed to be Appoint / re-appointed as Director of the Company at the Annual general meeting

Name of Director & DIN	Dr. Lata Singh DIN- 06947846	Dr. Ranjeet Bannerji DIN-07010089
Date of Appointment , Birth & No. of share Held	13.08.2014/05.07.1937 And Nil	10.11.2014 and 11.02.2015/10.01.1954 and Nil
Qualification	PHD from I.I.T., Delhi and B.A. (Hons.), M.A. (Mathematics).	PHD, Nuffield, Oxford University MSc from London School of Economics- Post-Graduation in Economics from Delhi University
Nature of Experience	Dr. Lata Singh is a retired IAS Officer and had held Government office in Finance, Industries Petroleum & Chemicals, Medical & Health, and Science & Technology Department of Uttar Pradesh and Central government. Dr. Singh is a member of National Resource Group, Mahila Samakhya Ministry of Education, and Government of India	Dr. R Bannerji was the Chief Secretary in the GoG at the time of retirement in January 2014 and his experienced included CEO GSDMA and i/c ACS (FIN) GoG, Director (PDR) IMF, Senior Advisor in International Monetary Fund, Joint Secretary (Fund-Bank, ADB, FII &Infra)-Department of Economic Affairs, Government of India, India's IMFC Deputy to the Finance Minister, India's G-20 Deputy, India's Deputy to the Development Council (DC), India's Representative at IDA-13, Joint Secretary (Plan Finance-1) in the Department of Expenditure, Government of India.2000 to 2002 looking after State Finance Reforms, VAT, power sector restructuring and reforms, Managing Director Gujarat Industrial Investment Company (GIIC)Ltd, Chairman Gujarat Venture Finance Ltd, MD Gujarat State Financial Corporation, Secretary (Economic Affairs) Deptt of Finance, Government of Gujarat, Specific Experience in the Infrastructure and Power Sector. Apart from the above, he also served as director of the various companies like, Kleinworth Perkins (personal capacity), Gujarat State Petrochemicals Ltd, Gujarat Heavy Chemicals Ltd, Gujarat Ambuja Cements, Gujarat Fluorocarbons Ltd, International Development Agency (IDA), IMF, Alternative, World Bank, ADB, IFAD, Bureau of International Settlements, Basle, Berkshire Hathaway, Gujarat Alkalis and Chemicals corporation, Gujarat States Fertilizer Company, GNFC, Gujarat Gas Pvt Ltd
Directorship in other companies	Nil	NIL
Committee Chairmanship / Membership	Nil	Membership in Risk Management Committee of the Company