

**40TH ANNUAL REPORT
2013-14**



SUNIL HEALTHCARE LIMITED
(A WHO-GMP Certified Company)

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Mr. Virendra Kumar Garg		
Auditor		
M/s Singhi & Co. Chartered Accountants New Delhi-110019, India		
Registered Office		
38 E / 252-A, Vijay Tower, Shahpurjat New Delhi-110049, India		
Plant & Works		
17/18, Old Industrial Area, Alwar-301001 Rajasthan, India		
Bankers		
UCO Bank Pansari Bazar, Alwar-301001, Rajasthan, India		
Registrar & Share Transfer Agent		
M/s MCS Ltd. (Unit- Sunil Healthcare limited) F-65 First Floor, Okhla Industrial Area, Phase 1 New Delhi-110020, India Ph. 011-41406149 to 41406151 Fax-011--41709881		



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

CIN-L24302DL1973PLC189662

E-mail: info@sunilhealthcare.com / web: www.sunilhealthcare.com

Tel: +91-11-49435555 / Fax: +91-1143850087

NOTICE

Notice is hereby given that the 40th Annual General Meeting of the Members of the Company will be held at 11.00 A.M on Saturday the 27th September, 2014 at the registered office of the Company at 38 E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049, to transact the following business:-

Ordinary Business

1. To consider and adopt the Audited Financial statement of the Company for the financial year ended 31st March 2014 and report of the Auditors and Directors thereon.
2. To elect a Director in place of Mr. B P Srinivasan DIN (02543837) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
3. To elect a Director in place of Mr. Rajat kumar Niyogi DIN (01823164) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
4. To appoint the Statutory Auditors and fix their remuneration and in that connection to consider and if thought fit to pass with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT M/s Singhi & Co., Chartered Accountants, (Registration No 302049E) be and are hereby re-appointed as the Auditors of the Company to hold office for a term of three years up to the conclusion of the Annual General meeting to be held in the year 2017 at such remuneration as may be determined by the Board."

Special Business

5. **To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:**

"Resolved that pursuant to the provisions of section 196, 197 and 203, read with sub clause (A) of the Section of the part II of Schedule V of the Companies Act-2013 and all other applicable provision of the Companies Act-2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Shareholder of the Company by means of ordinary resolution be and is hereby accorded, to pay remuneration of Rs. 1,19,175- (Rupees One Lacs Nineteen Thousand One Hundred Seventy Five Only) p.m. plus perquisites as applicable as per the rules of the Company from 1st April, 2014 to 31st March, 2015 to Mr. Anil Khaitan, Chairman-cum-Managing Director (DIN-00759951) as per following terms and conditions:-

Remuneration shall be for the period from 1st April, 2014 to 31st March, 2015.

1. **Emoluments:**
Salary: Rs. 1,19,175- (Rupees One Lacs Nineteen Thousand One Hundred Seventy Five Only) per month.
2. **Bonus/Ex-Gratia-** Payable upto 20% of the Salary on an annualized basis.
Perquisites: In addition to salary, will be entitled to the following perquisites/benefits:-

Part-A:

1 Housing.

Housing -I

The expenditure by the Company on hiring accommodation for him shall be subject to a ceiling of 40% (forty percent) of his salary.

Housing - II

Where the Company does not provide accommodation to him, House Rent Allowance subject to the ceiling laid down in Housing -I shall be paid to him.

Medical Benefits:

Reimbursement of medical expenses actually incurred the total cost of which to the Company shall not exceed one month's salary in a year or three month's salary in a block of three years.

Leave Travel Concession:

For him and his family, once in a year subject to a ceiling of two months' salary, shall be provided.

Personal Attendant:

Reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed Rs. 9,500/- (Rupee Nine Thousand Five Hundred Only) per month.

Part-B:

The Company's Contribution towards Provident Fund, Superannuation Fund or Annuity Fund: Such contribution to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

Gratuity:

Payable in accordance with the Gratuity Scheme of the Company, provided that this shall not exceed half month's salary for each completed year of his services with the Company, subject to a ceiling as per the Act.

Part-C:

Conveyance and Telephone:

Free use of the Company's Car with Driver for the purpose of the Company's business and telephone facility at his residence, which shall not be considered as perquisites/benefits, but the use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to him.

3. Earned/Privilege Leave:

He will also be entitled to earned/privilege leave on full pay and allowances, as per the rules of the Company, but not exceeding one month's leave for every eleven months' service under the Company.

4. He will be reimbursed Entertainment Expenses incurred by him in connection with the business of the Company as approved by the Board of Directors of the Company.

5. Termination :

Either party may terminate the appointment by giving three (3) months notice in writing to the other, provided that the Company may in the alternative terminate the appointment by paying to Mr. Anil Khaitan three month's salary in lieu of such notice.

"Further resolved that Mr. Virendra Garg, AGM Legal cum Company Secretary of the Company beand is hereby authorized to take all such appropriate steps and to do all such acts, deeds and things to give effect to the above mentioned resolution."

6 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"Resolved that pursuant to the section 188 (1) (f), 178 and other applicable provisions, if any of the

Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to pay salary of Rs. 50,500/--plus perquisites as applicable as per rule of the company per month to Mr. Kahaan Khaitan son of Mr. Anil Khaitan, Chairman cum Managing Director of the Company to hold and continue to hold office or place of profit under the Company as Sr. Vice President- Procurement together with the other facilities applicable to the other employee occupying similar post or posts within the same salary and grade, or with such other designation as directors may from time to time decide with effect from 01.04.2014 on the terms and condition as are stipulated in the letter of appointment."

"Further resolved that the allowance and perquisites referred to above be and are hereby authorised to be paid and allowed to Mr. Kahaan Khaitan in accordance with the relevant rules of the company with such variation /increase therein as may be in force from time to time."

"Further resolved that Mr. Virendra Garg, AGM Legal cum Company Secretary of the Company be and is hereby authorised to take all necessary steps in connection with the holding of General Meeting of the Shareholders of the Company and to take all other steps as may be required in this matter."

7 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"Resolved that pursuant to the provision of section 148 and all other applicable provisions of the Companies Act-2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification (s) or re-enactment thereof for the time being in force), and the consent of the Company be and is hereby accorded to the board to appoint Ms. J. Sandhya Murthy as a cost Auditor of the company to conduct the audit of the Cost Records, of the Company for the financial year ending March, 2015, on a remuneration of Rs. 40000/-plus services tax and out of pocket expenses."

"Further resolved that Mr. Anil Khaitan, CMD of the Company and/or Mr. Virendra Garg, AGM Legal cum Company Secretary of the Company be and is hereby authorised to do all such acts and take all steps as may be necessary, proper or expedient to give to this resolution"

8 To consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

"Resolved that consent of the shareholders of the company be and is hereby accorded, pursuant to the provision of section 14 and all other applicable provision of the Companies Act-2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modifications (s) or re-enactment thereof, for the time being in force) , the draft regulation contained in the Article of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Article of Association of the company."

"Further resolved that the board of directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9 To consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

"Resolved that with reference to the rectifications/ supersession of resolution approved by the shareholder of the company in their meeting held on 16th July , 2012 and pursuant to the provisions of section 180 (1) (c) and other applicable provisions of the Companies Act-2013 read with Companies (Meeting of Board and Its Power) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) , approval of the Shareholder of the Company by means of special resolution be and is hereby accorded and subject to the Article of Association of the Company and other provisions and applicable laws, the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the

Board to exercise the powers conferred on the Board by this Resolution) to borrow from time to time for the purpose of the Company's business any sum or sums of money as it may deem proper notwithstanding that the money to be so borrowed, together with the money already borrowed by the Company, if any (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid up capital of the Company and its Free Reserves, if any, that is to say, reserves not set apart for any specific purpose provided that the total, amount of the money shall not exceed Rs.100 Crore (Rupee Hundred Crore Only) outstanding at any point of time."

"Further resolved that Mr. Anil Khaitan Chairman cum Managing Director and/or Virendra Garg, AGM Legal cum Company Secretary of the Company be and is hereby authorized to take all such appropriate steps and to do all such acts, deeds and things to give effect to the above mentioned resolution."

10 To consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

"Resolved that with reference to the rectifications of resolution passed by the shareholder of the company in their meeting held on 16th July, 2012 and pursuant to the provision of section 180 (1) (a) and other applicable provisions of the Companies Act-2013 read with Companies (Meeting of Board and Its Power) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), consent of the company be and is hereby accorded for authorizing the Board of Directors to sell, lease or otherwise dispose of the immovable property (ies) or whole or substantially the whole of the undertaking(s) of the company on such terms and conditions as the Board may deem beneficial in the best interest of the company including creation of charge or mortgage on the immovable properties of the company in favour of Banks or financial institutions or other lending institution with the purpose of securing the amount borrowed together with the interest payable by the company in respect of such borrowings subject to a maximum of Rs.100 Crore."

"Further resolved that the Board of Directors of the Company be and are hereby authorised to delegate all or any of the previously mentioned powers/authorities to any committee of Directors and/ or officers or to any one or more directors and officers of the Company."

"Further resolved that the Board of Directors of the Company be and are hereby authorised to execute necessary documents for creating the aforesaid mortgage and/ or charge and do all such acts and things as may be necessary for giving effect to the above resolution."

11 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"Resolved that Pursuant to section 160 of the Companies Act, 2013 and any other applicable provisions of the Act, the consent of the shareholders of the Company be and is hereby accorded to appoint Dr. Lata Singh (DIN 06947846) as the Director of the company, who was appointed as Additional Director of the company by the Board of Directors on 13.08.2014 and, who holds the office upto the date of this Annual General meeting under section 161 of the Companies Act, 2013 but who is eligible for re appointment, and in respect of whom the Company has received notice in writing pursuant to section 160 of the Companies Act, 2013 from Mr. Anil Khaitan, CMD of the company proposing her appointment as a Director of the Company, and who has given her written consent to act as director of the Company if appointed and not disqualified under Section 164 of the Companies Act, 2013."

"Resolved further that Mr. Anil Khaitan, Chairman Cum Managing Director of the Company be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

"Resolved further that Ms. Komal Jain, Company Secretary in Practice be and is hereby authorized

to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

12 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"**Resolved that** pursuant to the provision of section 149, and 152 and other applicable provision if any, of the Companies Act-2013 read with rules (Appointment and Qualification of Directors) rules 2014, (including any statutory modifications (s) or re-enactment thereof, for the time being in force), read with Schedule IV to the said Act, Mr. S N Balasubranaiman (DIN 01494383) a non-executive Independent Director of the Company who has submitted a declaration that he meets the criteria of Independence as provide in section 149 (6) of the Companies Act-2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 27.09.2014 (date of AGM), not liable to retire by rotation."

"**Further resolved that** Mr. Anil Khaitan, Chairman Cum Managing Director of the Company be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

"**Further resolved that** Ms. Komal Jain, Company Secretary in Practice be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

13 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"**Resolved that** pursuant to the provision of section 149, and 152 and other applicable provision if any, of the Companies Act-2013 read with rules (Appointment and Qualification of Directors) rules 2014, (including any statutory modifications (s) or re-enactment thereof, for the time being in force), read with Schedule IV to the said Act, Mr. Joginder Singh (DIN 00836395)" a non-executive Independent Director of the Company who has submitted a declaration that he meets the criteria of Independence as provide in section 149 (6) of the Companies Act-2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 27.09.2014(date of AGM), not liable to retire by rotation."

"Further resolved that Mr. Anil Khaitan, Chairman Cum Managing Director of the Company be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

"**Further resolved that** Ms. Komal Jain, Company Secretary in Practice be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

14 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"**Resolved that** pursuant to the provision of section 149, and 152 and other applicable provision if any, of the Companies Act-2013 read with rules (Appointment and Qualification of Directors) rules 2014, (including any statutory modifications (s) or re-enactment thereof, for the time being in force), read with Schedule IV to the said Act, Mr. Sanjay Kaushik (DIN 00329013)" a non-executive Independent Director of the Company who has submitted a declaration that he meets the criteria of Independence as provide in section 149 (6) of the Companies Act-2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 27.09.2014(date of AGM), not liable to retire by rotation."

"**Further resolved that** Mr. Anil Khaitan, Chairman Cum Managing Director of the Company be and is

hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

"Further resolved that Ms. Komal Jain, Company Secretary in Practice be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

15 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"Resolved that pursuant to the provision of section 149, and 152 and other applicable provision if any, of the Companies Act-2013 read with rules (Appointment and Qualification of Directors) rules 2014, (including any statutory modifications (s) or re-enactment thereof, for the time being in force), read with Schedule IV to the said Act, Mr. R C Khurana (DIN 00017354) a non-executive Independent Director of the Company who has submitted a declaration that he meets the criteria of Independence as provide in section 149 (6) of the Companies Act-2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 27.09.2014(date of AGM), not liable to retire by rotation.

"Further resolved that Mr. Anil Khaitan, Chairman Cum Managing Director of the Company be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

"Further resolved that Ms. Komal Jain, Company Secretary in Practice be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

16 To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 188 of the Companies Act-2013 and other applicable provisions of the Companies Act-2013 read with Companies (Meeting of Board and Its Power) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) the consent of shareholders be accorded by means of special resolution to pay 1.8 % of net revenue on the basis of increase in the net revenue from last year, as a performance incentive to Mr. Ishan Khaitan (President -Operation & Marketing) of the company starting from 1st April, 2014 apart from his monthly remuneration."

"Further resolved that Mr. Virendra Garg, Company Secretary of the company be and is hereby authorised to take necessary step in this regards."

"Further resolved that Ms. Komal Jain, Company Secretary in Practice be and is hereby authorized to file relevant form with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all such things as may be required in this behalf."

By the Order of the Board

Place - New Delhi

Dated- 13th August, 2014

**Anil Khaitan
Chairman cum Managing Director**

Notes

1. A member entitles to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member.
2. The appointing the proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
3. 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.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a credited copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 5. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in this report as **Annexure 2** and also Corporate Governance Report forming part of the Annual Report.
 6. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
 7. 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.
 8. The Register of Members and Share Transfer Books of the Company will remain closed from 20.09.2014 to 27.09.2014 (both days inclusive)
 9. An explanatory statement pursuant to the provisions of section 102 of the Companies Act 2013 relating to the special business to be transacted at the meeting is annexure hereto.
 10. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, except Saturdays, during business hours 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 MCS Limited at "F-65 First Floor, Okhla Industrial Area, Phase-I, New Delhi 110020 for consolidation into one folio.
 12. Members holding shares in physical form are requested to furnish their email id by post or by email to virendra.garg@sunilhealthcare.com / 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.
 13. 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 / MCS Limited.
 14. Pursuant to section 101 and 136 of the Companies Act-2013 read with relevant rules made thereunder, Companies can serve Annual Report, notice and other communications through electronic mode to those members who have registered their email address with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including annual Report, notices, Circulars etc from the company electronically.
 15. Non-Resident Indian Members are requested to inform MCS Limited, immediately of:
 1. Change in their residential status on return to India for permanent settlement.
 2. 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.

16. Pursuant to the provisions of the Section 205A (5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 1999-2000 to 2005-06 from time to time on due dated to the **Investor Education & Protection fund** (The IEPF) established by the Central Government.

Dividend for the financial year ended March, 31, 2007 and thereafter which remains unpaid or unclaimed for a period of seven years from the date they become due for payment will be transferred by the company to IEPF. The last dates for the claiming of such unclaimed dividends are mention as per **Annexure 1**. Members who have not so far encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company.

It may be noted that the Company had sent reminders to the members in this regards. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amount which were unclaimed and unpaid for a period of seven years for the date they first became due for payment and no payment shall be made in respect of any such claims.

17. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by MCS Limited. The Company has fixed 22nd August, 2014, as a cutoff date to record the entitlement of the shareholders to cast their vote electronically at the 40th annual General Meeting (AGM) by electronic means under the Companies Act 2013 and rules thereunder.

The instructions for e-voting are as under:

In case the Member receives an email from NSDL (for members whose email IDs are registered with the Company/DP):

- i. Open the e-mail and then open the PDF file namely "**Shle-voting.pdf**" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- ii. Open the internet browser and type the following **URL: <https://www.evoting.nsd.com>**
- iii. **Click on Shareholder-Login.**
- iv. Put user ID and password as initial password/PIN provided in the PDF file and click Login.
- v. The password change menu will appear on your screen. Change to a new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,* etc). Please take utmost care to keep your password confidential.
- vi. Home page of e-voting appears. Clicks on e-voting: Active Voting Cycles.
- vii. Select "EVEN" (E-Voting Event Number) of Sunil Healthcare Limited.
- viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when promoted.
- ix. Upon confirmation, the message "Vote cast successfully" will be displayed
- x. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xi. 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., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at **cstarachand@gmail.com** With a copy marked to **evoting@nsdl.co.in**

- (h) In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participants):

Initial password is provided in the attached sheet on the 'Process and manner for e-voting'.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.
- c. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- d. In case of any queries, you may refer to the "Frequently Asked Question" (FAQs) and e-voting user manual available in the download section of NSDLs Evoting website www.evoting.nsdl.com
- e. Login to Evoting website will be disabled upon five unsuccessful attempted to key in the correct password. In such an event, you will need to go through "Forgot Password" option available on the site to reset the password.
- f. Your login ID and password can be used by you exclusively for Evoting on the resolution placed by the companies in which you are shareholders.
- g. The e-voting period commences at 10.00 A.M. on Wednesday the 17th September, 2014 and will end at 6.00 P.M. on Thursday, the 18th September, 2014. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on 22nd August, 2014, may cast their vote electronically. The 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.
- h. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August, 2014.
- i. 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 process in a fair and transparent manner.
- j. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- k. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sunilhealthcare.com and on the website of NSDL within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

Annexure to the Notice

Explanatory statement pursuant to the Section 102(1) of the Companies Act, 2013

Item No.5

Mr. Virendra Garg, AGM Legal cum Company Secretary of the Company inform to the Board Members that the shareholders of the Company had re-appointed, Mr. Anil Khaitan, as Chairman Cum Managing Director of the Company for a period of Five years as on 1st August, 2012 in the Annual General Meeting held on 16th July, 2012 and decided to continue to pay a sum of Rs.1,19,175/- as a monthly remuneration plus perquisites as applicable as per the rules of the Company to him with effect from 1st April, 2012 to 31st March, 2013. The remuneration is subject to annual review.

Mr. Virendra Garg, AGM Legal cum Company Secretary of the Company propose to the Nomination and Remuneration Committee that company has decided to continue to pay a sum of Rs. 119175/- plus perquisites as applicable as per the rules of the Company as a monthly remuneration to Mr. Anil Khaitan, Chairman cum Managing Director of the company with effect from 1st April, 2014 subject to approval of shareholders of company. The Nomination and Remuneration Committee approved the renewal in remuneration pay to Mr. Anil khaitan and recommend the same to the board.

With the recommendation of the Nomination and Remuneration Committee, the Board Members after discussing all the provisions of the Companies Act, 2013 read with Schedule V and all other applicable provision of the Companies Act-2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) that the Company should pay the above remuneration to him for the period starting from 1st April, 2014 to 31st March, 2015 subject to the approval of the shareholders of the Company.

Approval of the members is sought at this Annual General Meeting for the payment of remuneration to Mr. Anil Khaitan as set out in the text of the resolution in terms of applicable provision of the Act.

Information pursuant to Clause-A of Part -II of Schedule V

General Information

Company is engaged in the manufacture of Hard Gelatin Capsules Shells, which is a pharmaceutical intermediary, since 1976. The Company has increased the installed capacity from time to time and the present installed production capacity is 7700 Million Capsules per annum. Operations of the company for the last three years are as under:

Particulars	(Rs. in Lacs)		
	For Year 2011-12	For Year 2012-13	For Year 2013-14
Net Sales	4283.57	4565.85	6088.65
Profit before Tax (After exceptional items)	328.09	218.56	511.97
EPS (after exceptional items) (In Rs.)	2.24	1.41	3.20
Export Sales (FOB)	1524.20	2204.02	2920.58

During the year 2013-14 Exports of Company is higher as compared to the year 2012-13. The Company doesn't have any foreign investments.

Interest of Directors

Except Mr. Anil Khaitan no other directors are concerned or interested in the proposed resolution.

Item No.6

Mr. Kahaan khaitan Son of Mr. Anil khaitan Chairman Cum Managing Director of the Company was appointed in the Company as on 11th May, 2013 and he is presently holding a position in the Company as Sr. Vice President Procurement. Further he adds that in his guidance the performance of the Company was grown up and there will be tremendous chance for growth in future.

Looking to his international networking, international exposure, talent, skills, hard work and dedication towards the Company, the Company has decided to increased his remuneration from Rs. 23875/-plus perquisites to Rs. 50500/- plus perquisites as a monthly remuneration as applicable as per the rules of the Company with effect from 1.04.2014 and subject to such terms and conditions as are stipulated in the letter of appointment issued to him or with such other designation as directors may decide on time to time.

Mr. Virendra Garg, AGM Legal cum Company Secretary of the Company propose to the Nomination and Remuneration Committee that company has decided to pay a sum of Rs. 50500/- plus perquisites as applicable as per the rules of the Company as a monthly remuneration to Mr. Kahaan khaitan Son of Mr. Anil khaitan Chairman Cum Managing Director of the Company with effect from 1st April, 2014 subject to approval of shareholders of company. The Nomination and Remuneration Committee approved the renewal in remuneration pay to Mr. Kahaan khaitan and recommend the same to the board.

Mr. Kahaan khaitan has done his Business Administrative and Management Course from Babson College, office of International Programs, Babson Park. He is relative of Mr. Anil Khaitan, Chairman cum Managing Director of the Company as per section 2 (77) of the Companies Act-2013 and therefore approval of the members under section 188 (1) (f) of the Companies Act-2013 is necessary for him to hold and continue to hold office or place of profit in the Company on the salary as proposed in the resolution.

The Board of Directors are being authorised to accept such modification / alteration or amendments as may be directed by the shareholders of the Company and accepted by Mr. Kahaan Khaitan.

Except Mr. Anil Khaitan no other director are concerned or interested in the proposed resolution.

Item No.7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors Ms. J Sandhya Murthy to conduct the audit of the cost records of the Company for the "financial year ending March 31, 2015. Ms. J. Sandhya Murthy Cost Accountant have given her consent to act as Cost Auditor and certificate for her independence and Arm's length relationship with the company for the financial year 2014-15 and the same was presented before the Audit Committee as well as Board of Directors.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the notice for ratification of the remuneration payable to the Cost Auditors for the "financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, "financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No.8

The Articles of Association ("AOA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013 ("Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal").

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions in its various clauses/articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of AOA.

Any change in the AOA of the company requires the approval of the members in general meeting. The Board of directors of your company in their meeting held on August 13, 2014 has given their consent unanimously to replace the existing AOA by a new set of AOA.

The board recommends the passing of the aforesaid resolution as a special resolution.

Disclosure according to Section 102 of Companies Act, 2013:-

THE NATURE OF CONCERN OR INTEREST, FINANCIAL OR OTHERWISE, IF ANY	
Financial Concern or interest	Other concern or interest
None	None

None of the directors of the company is concerned or interested in the above resolution except as a member of the company to the extent there shareholding.

Item No.9

The members of the Company at their Annual General Meeting held on 16th July, 2012 approved, by way of an Ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 100 crores (Rupees Hundred Crore).

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow monies in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable the Board of Directors to borrow monies not exceeding Rs.100 crore.

The purpose was to increase in the volume of business and expansion and modernization. And to part finance its expansion and diversification plans through borrowed funds, therefore the power of the Board of Directors for borrowing funds has been enhanced to Rs 100 Crore. Accordingly,

Hence the Directors of your Company recommend the shareholders of the Company to pass the proposed resolution.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, is concerned or interested in the Resolution at Item No. 9 of the Notice.

Item No.10

Mr. Virendra Garg, AGM Legal cum Company Secretary inform that the shareholders of the company has approved and authorised to Board of Directors of the Company to borrow money upto Rs.100 crore from time to time form Banks, Financial Institutions and any other sources by way of mortgaging, hypothecation and creating charge on the immovable and movable assets of the Company as per the text in the resolution as mention in item no 10.

Section 180(1) (a) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow money upto Rs. 100 crore from time to time form Banks, Financial Institutions and any other sources by way of mortgaging, hypothecation and creating charge on the immovable and movable assets of the Company in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at

Item No. 10 of the Notice, to enable the Board of Directors to borrow monies not exceeding Rs.100 crore.

Hence the Directors of your Company recommend the shareholders of the Company to pass the proposed resolution.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 10 of the Notice.

Item No.11

Mr. Anil Khaitan, Chairman Cum Managing Director of the Company inform to the board members that as per the section 149 of Chapter XI of the Companies Act-2013 read with Companies (Appointment and qualification of Directors) Rules, 2014 it is compulsory every listed Company and every other public company having a paid-up share capital of one hundred crore rupees or more or turnover of Rs. 300 cr or more, have to appoint one women director in the company within a period of six month from the date of commencement of this section.

Mr. Anil Khaitan, Chairman Cum Managing Director of the Company informed to the members that Dr. Lata Singh has been appointed as a women (additional) director of the Company under section 161(1) of The Companies Act, 2013 in the board meeting held on 13.08.2014. He further informed that she holds office as an Additional Director only up to the date of the ensuing Annual General Meeting. A notice has been received from Mr. Anil Khaitan, CMD of the company signifying his intention to propose to appoint Dr. Lata Singh as a Director of the Company.

He further told that Dr. Singh is presently working as a Chairperson, Appex Committee on Prevention of Sexual Harresment of Women University of Delhi and she is a member of National Resource Group, Mahila Samakhya Ministry of Education, Govt of India with the following academic qualification:

- ❖ Ph. D
- ❖ I.T.
- ❖ B.A. and M.A. from University of Delhi.

He further told that Dr. Singh is retired IAS Officer of UP Cadre of 1961 Batch and her experienced include the Adviser of Govt. Of India on J & K Affairs with special emphasis on women's environment, Secretary of govt. Of India, Ministry of HRD, Chairman of UP Sugar Corporation and UP Electronic Corporation, Govt of UP. She had worked in Asian Development Bank, Manila Philippines.

She had given her contribution in various capacities in Govt of India and Govt of UP in Finance, Industries Petroleum & Chemicals, Medical & Health, and Science & Technology Department & Sector. The Nomination and Remuneration Committee has confirmed the appointment of Dr. Lata Singh from an additional director to regular director in the ensuing General Meeting and recommend the matter to the board .

With the recommendation of the NRM Committee, The Board Member after discussing all the provision of Companies Act -2013 has decided in the their meeting held on 13.08.2014 to change her designation from additional director to a regular director in the ensuing General Meeting to be held on 27th September, 2014 with subject to the approval of Shareholders of the Company and placed this resolution before the Members in general meeting for their approval

Copy of the draft letter for appointment of Dr. Lata Singh would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mrs. Lata Singh is concerned or interested in the Resolution at Item No. 11 of the Notice. Mrs. Lata Singh and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 11.

Item No.12

Mr. S. N. Balasubramanian is a Professional Cost and Works Accountant. He joined the Board of Directors of the Company on 29th September, 2006. He is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement. Mr. S. N. Balasubramanian is graduate from Madras University and a fellow member of The Institute of Cost & Works Accountants of India. He has been visiting faculty at Institute of Management Technology and has been appointed at various consultancy empanelments such as:

- ❖ Grade A Consultant in the Asian Development Bank, Manila Specialization: Power & Utility
- ❖ Included in the Roster by the common wealth secretariat, London for assignment in Common Wealth Countries
- ❖ Consultant in the African Development Bank
- ❖ Power Economist & Financial Evaluator to M/s. Water & Power Consultant (India) Limited, New Delhi
- ❖ Global Procurements Consultants, Mumbai

With expertise in the areas of steel, power, textile, chemical, coal, cement etc. industries he has served various companies such as Swadeshi Polytex Limited, Swadeshi Cement Limited, Southern Structural Limited, Jindal Saw Limited, Radico Khaitan Limited and Indo Rama Synthetics Limited. He has also been providing consultancy in Indonesia, Korea, Japan and Zimbabwe related to various works.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. S. N. Balasubramanian has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. S. N. Balasubramanian as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of Five years starting from 27.09.2014(date of AGM), not liable to retire by rotation.

In the opinion of the Board, Mr. S. N. Balasubramanian fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. S. N. Balasubramanian as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. S. N. Balasubramanian would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. S. N. Balasubramanian, is concerned or interested in the Resolution at Item No. 12 of the Notice. Mr. S. N. Balasubramanian and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 12.

Item No.13

Mr. Joginder Singh is a former CBI Director and retired IPS officer. He joined the Board of Directors of the Company on 29th January, 2000. He is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement.

Mr. Joginder Singh is IPS (Retd.) Former Director, CBI , India and his experience includes the Superintendent of Police, Bihar District, DIG and IG Police, Karnataka, Director of Youth Services, Karnataka, Special Home Secretary to the Government of Karnataka, Director, Ministry of Commerce, Director General, Narcotics Control Bureau, Director General, Indo-Tibetan Border Police Force, Special Secretary in the Union Home Ministry and many others.

Presently, he has been working as Security Advisor at Steel Authority of India and entrusted with sole responsibility of looking after the security and control of criminal activities at all the steel plants of Government of India.

He has led a number of Indian delegations abroad to UK, USA, Germany, France, Japan, South Korea, Singapore, Indonesia, Australia, New Zealand, Iran, UAE, Hong Kong, Switzerland and a number of other countries. He is also an Honorary Visiting Professor in the Indian Institute of Finance, New Delhi. Apart from the above, he also an author and a writer and his publications includes Ways of Success and Happiness, 50 days to Top, Some untold tales, Inside CBI, Yes You Can, Winning Ways, Indian Monocracy, Born to Win, Be the Best and many other. Mr. Joginder Singh keeps on contributing articles, features and columns on the subjects of terrorism, corruption, good governance to national dailies and has handled terrorism at IG CRP, both in Punjab and Kashmir, as the head of CBI. He has been conferred the award of Panth Rattan, Delhi Rattan and Punjabian DI Shan. He has also been conferred the Millennium Sikh Gold Award and Shaheed Bhagat Singh Sadbhavana Award and numerous others.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Joginder Singh has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Joginder Singh as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of Five years starting from 27th September, 2014

In the opinion of the Board, Mr. Joginder Singh fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Joginder Singh as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. Joginder Singh would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. Joginder Singh, is concerned or interested in the Resolution at Item No. 13 of the Notice. Mr. Joginder Singh and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 13.

Item No.14

Mr. Sanjay Kumar Kaushik is a Businessman. He joined the Board of Directors of the Company on 3rd June, 2003. He is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement.

Mr. Sanjay born on 1st January, 1968 is a graduate from Rajasthan University and is an expert in his field. He has been working with Kaneeka Trimurti Minerals Pvt. Ltd and Kaushik Chemicals and has a vast experience of more than 25 years in the field of antifungus lotion.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Sanjay Kumar Kaushik has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Sanjay Kumar Kaushik as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of Five years starting from 27th September, 2014

In the opinion of the Board, Mr. Sanjay Kumar Kaushik fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sanjay Kumar Kaushik as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. Sanjay Kumar Kaushik would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. Sanjay Kumar Kaushik, is concerned or interested in the Resolution at Item No. 14 of the Notice.

Mr. Sanjay Kumar Kaushik and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 14.

Item No.15

Mr. Ramesh Chander Khurana is a retired General Manager of Bank of India. He joined the Board of Directors of the Company on 09th February, 2013. He is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement. Mr. Ramesh Chander Khurana has a vast experience of about 43 years in Banking Sector. He is a Law Graduate from Delhi University and obtained CAIB certification from Indian Institute of Bankers, Mumbai. He has vast experience in Credit Appraisal and Credit Monitoring area and has actively participated in formalizing Operational Matters, Control and Supervision Mechanism and Risk Management in various Banks and Financial Institutions. He headed North Region of Bank of India's National Banking Group and provided his various value added services by serving at different divisions of the Banks.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. R C Khurana has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. R C Khurana as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of Five years starting from 27.09.2014(date of AGM), not liable to retire by rotation.

In the opinion of the Board, Mr. R C Khurana fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. R C Khurana as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. R C Khurana would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. R C Khurana, is concerned or interested in the Resolution at Item No. 15 of the Notice. Mr. R C Khurana and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 15.

Item No.16

Mr. Virendra Garg, AGM Legal cum Company Secretary of the Company inform to the board members of the Company that pursuant to the provisions of section 188 of the Companies Act-2013 read with Companies (Meeting of Board and its Power) rules 2014, the company has decided to give performance incentive on the basis of increase the net revenue from last year as per the text of resolution to Mr. Ishan Khaitan, President -Operation & Marketing of the Company who is also relative of CMD of the Company. He further add that under his guidance and leadership, the company has been progressively increased their production and profitability and received significant national and global recognition and accolades and the net revenue was increased from the last years is approx. 33.65 % from the last year and profit of the company was increased by Rs.183.66 Lakh (127.23%) as compare to the last year in his guidance. The board member appreciates the contribution given by Mr. Ishan Khaitan, President -Operation & Marketing towards the growth and global recognition.

The Board of Directors are being authorised to accept such modification / alteration or amendments as may be directed by the shareholders of the Company and accepted by Mr. Ishan Khaitan. Except Mr. Anil Khaitan no other director are concerned or interested in the proposed resolution.

By the Order of the Board

Place - New Delhi

Dated- 13th August, 2014

**Anil Khaitan
Chairman cum Managing Director**

ANNEXURE: 1

Information in respect of unclaimed and unpaid dividends declared for year 2006-07 and thereafter:

S.N.	Financial Year	Date of Declaration of the Dividend	Last date for the Clamming of Unpaid Dividend
1	31.03.2007	26.09.2007	25.09.2014
2	31.03.2008	25.09.2008	24.09.2015
3	31.03.2009	29.09.2009	28.09.2016

ANNEXURE: 2

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHNAGES FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTOR BEING PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE ANNUAL GENERAL MEETING:-

Name of Director & DIN	Date of Appointment, Birth & No. of share Held	Qualification	Nature of Experience	Directorship in other companies	Committee Chairmanship / Membership
Mr. Joginder Singh (IPS Retd.) 00836395	29.01.2000/ 12.10.1939 and nil	MA in English	having more than 49 years' experience in the Indian Police Service and also he is a author	CMYK Printeck Ltd., TOPS Securities Ltd. Worldwide Immigration Consultancy Service Ltd. Crystal Corp Protection Pvt. Ltd.	Chairman of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Company
Mr. Sanjay Kumar Kaushik 00329013	03.06.2003/ 01.01.1969 and NIL	B Com	Having more than 25 years' experience in own business	Kaneeka Trimurti Minerals Pvt. Ltd	Member of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee of the Company
Mr. S N Balasubramaniam 01494383	29.09.2006/ 09.05.1933 and Nil	B.Com, & FICWA,	having more than 22 years' experience in various industries as a senior position & consultant	Nil	Member of Audit Committee, Corporate Social Responsibility Committee of the Company
Mr. R K Niyogi (IPS Retd.) 01823164	26.10.2007/ 12.05.1940 and Nil	MA in History	having more than 47 years' vast experience in the Indian Police Service	Nil	Member of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee of the Company
Mr. B P Srinivasan 02543837	31.01.2009/ 26.08.1948 and Nil	Ph.D., M Sc. Drug Assay from AIIMS, B.pharmacy	having more than 37 years' experience in Teaching and Research	Nil	Nil
Mr. R C Khurana 00017354	09.02.2013/ 05.10.1952 and Nil	Bse, L.Lb	More than 43 year vast experience in banking sector	Nil	Chairman of Audit Committee and member of Corporate Social Responsibility Committee of the Company
Dr. Lata Singh (Retd IAS) 06947846	05.07.1937/ 13.08.2014 And Nil	Ph. D, I. I.T., B.A. and M.A.	Vast experience in Adviser of Govt. Of India on various matter and given her contribution in various capacities in Govt of India and Govt of UP	Nil	Nil

By the Order of the Board

Place -New Delhi

Dated- 13th August, 2014

Anil Khaitan
Chairman cum Managing Director

SUNIL HEALTHCARE LIMITED

Regd. Office : 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049
Email: info@sunilhealthcare.com Website: www.sunilhealthcare.com
Tel;:+91-11-49435555/00, Fax; +91-11-43850087
CIN-L24302DL1973PLC 189662

ATTENDANCE SLIP

Name and Address of the Member and/or Proxy

Re. Folio No. _____
Client ID No. _____
D.P.I.D. No. _____
No of Shares held _____

I hereby record my presence at the 40th Annual General Meeting of the Members of the Company will be held at 11.00 A.M on Saturday the 27th September, 2014 at the Registered office of the Company at 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049

Member's/Proxy's Signature _____

Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slip on request. Please bring your copy of the Annual Report for reference at the Meeting.

SUNIL HEALTHCARE LIMITED

Regd. Office : 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049
Email: info@sunilhealthcare.com Website: www.sunilhealthcare.com
Tel;:+91-11-49435555/00, Fax; +91-11-43850087
CIN-L24302DL1973PLC 189662

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act-2013 and rule 19 (3) of Companies (Management & Administration) Rules 2014]

Name of the Member
Registered Address
Email id:
Folio/DP ID Client Ids no

I/We being the member (s) of _____ shares of the above named company hereby appoint:

- C. Name _____ Address _____
E mail id _____ signature _____ or falling him _____
- D. Name _____ Address _____
E mail id _____ signature _____ or falling him _____
- E. Name _____ Address _____
E mail id _____ signature _____ or falling him _____

As my /our proxy to attend an vote (on a poll) for me /us and on my /our behalf at the 40th annual General Meeting of the Company, to be held on Saturday, 27th September, 2014 at 11.00AM at the Registered office of the company at 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049 and at any adjournment thereof in respect of such resolution as are indicated below:

Sr. No	Resolution	Ordinary /Special	In For	Against
1	Adoption of financial Statement for the year ended 31.03.2014, report of the Directors and Auditor	Ordinary		
2	Re-Appointment of Mr. B P Srinivasan as Director, who retire by rotation	Ordinary		
3	Re-Appointment of Mr. R K Niyogi as Director, who retire by rotation	Ordinary		
4	Re-appointment of Auditor and fix their remuneration	Ordinary		
5	Renewal of Remuneration of Chairman cum managing Director	Ordinary		
6	Renewal of remuneration of Relative of CMD	Ordinary		
7	Re-appointment of Cost Auditor	Ordinary		
8	Adoption of new Article of Association of the Company as per Companies Act-2013	Special		
9	Rectification of resolution of borrowing power of the board	Special		
10	Rectification of resolution of sale/dispose/mortgage power of the board	Special		
11	To appoint the regular women director	Ordinary		
12	Appointment of Mr. S N Balasubranaiman as an Independent Director	Ordinary		
13	Appointment of Mr. Joginder Singh as an Independent Director	Ordinary		
14	Appointment of Mr. Sanjay Kaushik as an Independent Director	Ordinary		
15	Appointment of Mr. R C Khurana as an Independent Director	Ordinary		
16	Approve for performance incentive to relative of CMD	Special		

Signed this _____ day on _____ 2014

Signature of Shareholders _____

Signature of Proxy holder(s) _____

Affix One Rupees Revenue Stamp

Notes:

- B. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office if the Company, not less than the 48 hours before the commencement of the meeting
- C. For the Resolution, Explanatory Statement and notes, please refer to the Notice of 40th Annual General Meeting.
- D. It is optional to put a "X" 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.
- E. Please complete all details including details of member(s) in the above box before submission.



SUNIL HEALTHCARE LTD
DIRECTORS' REPORT

Your Directors have great pleasure in presenting the 40th Annual Report on the business and operations together with the audited statement of accounts of your Company for the year ended 31st March 2014.

Financial Results

	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)
Profit before depreciation and Finance Cost	1169.00	806.91
Finance Cost	247.67	261.26
Depreciation	409.36	382.09
Profit before tax	511.97	218.56
Less: - Provision for Taxation		
For Current Year	(212.52)	(50.91)
For Deferred Tax	28.56	(23.30)
Profit after Tax	328.01	144.35

Operations:

During 2013-14 the production of Hard Gelatin Capsule Shells was 6444 Million against 6114 Million in the previous year. The Gross revenue from operation is Rs. 6459 lacs against Rs.4882 lacs in the previous year. Profit before tax during the year was ` 511.97 lacs against ` 218.56 lacs in the previous year. During the year the Export increased by 239 %, Profit increased by 127.23%, Cash generation increased by 81.89 % and PBDIT increased by 44.87 % in compare of last year.

Management of the Company is committed to further improve the performance in the coming year and to achieve better sales and more profitability by more production and optimizing product mix and exploring new avenues to achieve overall growth of the Company.

Directors:

Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on 13th August, 2014 recommended appointment of Mr. S N Balasubramaniam, Mr. R C Khurana, Mr. Joginder Singh and Mr. Sanjay Kumar Kaushik as Independent Directors of the Company, not liable to retire by rotation for a period of five years from the date of its 40th Annual General Meeting subject to approval of the Members of the Company. These Directors have given the declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013. The Board recommends the resolutions for your approval for the above appointments.

The Board recommends the same for your approval that Mr. R K Niyogi and Mr. B P Srinivasan Director of the Company retires by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment. The Board recommends the same for your approval that Mrs. Lata Singh Retd IAS will be appoint as a women director of the company as per the provision of section 149, 152 and 160 of the Companies Act-2013 in their meeting held on 13th August, 2014.

Public Deposit

Your Company has not accepted any public deposit within the meaning of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 and there is no outstanding deposit due for re-payment.

Dividend

With a view to conserve your company's resources and for the growth of the company, The directors do not recommended any dividend for the year ended 31.03.2014.

Pharmexcil Award for Outstanding Exports in FY 2012-2013

The directors of the company are very glad to inform you that Panel of Experts of Pharmaceuticals Export Promotion Council of India (Pharmexcil) has awarded an honour of your organization for outstanding contribution to India's **Pharmaceutical Exports during the year 2012-13 (Excipients & Surgicals category - Silver)**.

Auditors & Auditor's Report:

M/s Singhi & Co, Chartered Accountants, (registration no 302049E) New Delhi would retire from their office at the conclusion of the ensuing Annual General Meeting. M/s Singhi & Co. Chartered Accountants, New Delhi, being eligible, offer themselves for re-appointment as Auditors of the Company for next three years up to the conclusion of the Annual General meeting to be held in the year 2017. The Statutory Auditors of the Company have submitted Auditor's Report on the accounts of the Company for the period ended 31st March 2014, which is self-explanatory.

Cost Auditor

The Board of Directors of your Company has recommended Ms. J. Sandhya Murthy (membership no 24235) , Cost Accountants, Delhi be re-appointed as a Cost Auditors for the Financial Year-2014-15 subject to approval of the Central Government under section 233B of the Companies Act, 1956 as well as the members of the Company. The Cost Audit Report for the financial year 2012-13, issued by Ms. J. Sandhya Murthy, Cost Auditors, in respect of the various products prescribed under Cost Audit Rules, 2011, was filed with the Ministry of Corporate Affairs (MCA) on October 01, 2013.

Listing of Shares at BSE through Direct Listing Route

The board of Directors are very glad to inform you that your Company has received the trading approval for listing its securities at Bombay Stock Exchange (BSE) vide their letter ref no DCS/DL/NP/TP/603/2013-14 Dated 22nd January, 2014 under its Direct Listing route and trading has been started on 23rd January, 2014. As you all are aware that before listing at BSE, the Company was listed at Calcutta, Delhi and Jaipur Stock Exchanges, where, unfortunately there was no trading for last many a years. The Company's scrip id on the BOLT system is SUNLOC and code no is 537253 and the abbreviated name is **SUNIL HEALTH**. A letter received from the BSE is put on the website of the company.

By virtue of listing and trading at BSE, the Company would now be making all the Listing Agreement compliances with BSE as well, thus providing more transparency and building investor confidence. The shareholders, in turn, would get the much awaited liquidity benefit for their investments.

Further he also takes the opportunity to extend our appreciation and gratitude to all the members, who have been a part of the Company through all these years.

Demating the Physical Shares

It is to be noted that the trading of shares at BSE shall be only in Demat mode. So, the Directors of the Company hereby make a request to all its valued Members, to have their shareholdings in the Company converted into Demat mode because the securities of the company now has been listed at BSE and trading has been commenced on 23rd January, 2014. For any assistance, the Compliance Officer, Mr Virendra Garg, Company Secretary of Company and M/s MCS Limited, New Delhi, Registrar and Transfer Agents may be contacted.

Delisting of securities from regional Stock Exchanges

The board of Directors of your company would like to inform you're that the board members in their meeting held on Saturday, 24th May, 2014, has considered and decided that the Companies securities are presently listed at Bombay, Jaipur, Delhi and Calcutta Stock Exchanges and there is no trading of equity shares from last many years at, Jaipur, Delhi and Calcutta Stock Exchanges. However, the Company's shares are regularly being traded at the Bombay Stock Exchange From 23rd January, 2014. Further it was considered that the Bombay Stock Exchange is having nationwide trading terminals and the investors have access to trade and deal in Company's shares across the country and listing on the Delhi, Jaipur & Calcutta Stock Exchanges are not providing any advantage to the shareholders and investors of the Company and the Company should take effective steps for voluntary delisting of the Company's Equity Shares from the Delhi, Jaipur & Calcutta Stock Exchanges in terms of the provisions of the Securities and Exchange Board

of India (Delisting of Equity Shares) Regulations, 2009 and continue its listing only with the Stock Exchange Bombay.

In this regards the board members has filed an application to the all three stock exchanges like Jaipur, Delhi and Calcutta stock exchange to delist their securities from their stock exchanges. In this connection we wish to inform you that the Listing /Delisting Committee of the Jaipur Stock Exchanges held on 6th July, 2014 has approved the delisting of securities of the company from their exchanges. This was informed by the exchanges through their letter reference no JSEL/2014/955 Dated 12th August, 2014. A copy of the letter of stock exchange was uploaded on the website of the Company.

Sales Tax Registration at Tamilnadu State

The Director of the company is informed to you that your company has registered itself at Government of Tamilnadu, Commercial Taxes Department Tamilnadu and got Sales Tax / Value Added Tax Registration Certificate from Tamilnadu under Tamilnadu Value Added Tax Act-2006 for trading of food business.

Credit Rating

Your Directors have pleasure to inform your that the Rating Committee of ICRA, after the consideration, has upgrade the long term rating for the Captioned Line of Credit (LOC) from **{ICRA}BB+**(pronounced ICRA double B plus) to **{ICRA}BBB-** (pronounced ICRA triple B minus). The outlook on the loan term rating is retained as "**Stable**" The Rating committee of ICRA has also upgrade the short term rating for the captioned LOC from **{ICRA}A4+**(pronounced A four plus) to **{ICRA}A3** (pronounced A three).

Corporate Social Responsibility Committee

During the year the Board of Directors of the company has constituted a Corporate Social Responsibility Committee under the Chairmanship of Mr. Joginder Singh Former CBI Director, along with two members, Mr. S N Balasubramanian and Mr. R C Khurana, all are independent directors. He further informed you that 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 CSR committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. 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 "**HumaraSauchalaya.**"

Management Discussion & Analysis Report

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis Report is appended to this Report.

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of the Section 205A (5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 1999-2000 to 2005-06 from time to time on due dated to the Investor Education & Protection fund (The IEPF) established by the Central Government .

Dividend for the financial year ended March, 31, 2007 and thereafter which remains unpaid or unclaimed for a period of seven years from the date they become due for payment will be transferred by the company to IEPF. The last dates for the claiming of such unclaimed dividends are mention as per **Annexure 1** of the notice. Members who have not so far encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company.

It may be noted that the Company had sent reminders to the members in this regards. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amount which were unclaimed and unpaid for a period of seven years for the date they first became due for payment and no payment shall be made in respect of any such claims

Corporate Governance

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, regulators and the community at the large. They strongly believe that this relationship can be built & strengthened through corporate fairness, transparency and accountability. At your Company, prime importance is given to reliable financial information, integrity, transparency, empowerment and compliance with law in letter & spirit.

The Securities & Exchange Board of India (SEBI) in its efforts to strengthen the Corporate Governance had revised the existing clause 49 of Listing Agreement. Your Company, following the spirit of market regulator and its endeavor to excel through corporate governance is complying with revised Clause 49. A separate section on corporate governance is given elsewhere in this Annual Report and **the auditor's certificate on compliance with corporate governance norms is attached thereto.**

Directors' Responsibility Statement:

Pursuant to section 217(2AA) of the Act, your Directors confirm the followings:

- a) That in preparation of the Annual Accounts for the year ended 31st March 2014; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) That the accounting policies selected and applied are consistent and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) That the proper and sufficient care has been taken for the 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 fraud and other irregularities.
- d) That the annual accounts have been prepared on a going concern basis.

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.

Particulars of Employees:

The company has not paid any remuneration attracting the provision of Companies (Particulars of employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 to any employee of the company. Hence no information is required to be appended to this report in this regards.

Conservation of Energy, Technical

Absorption, Research & Development

and Foreign Exchange Earnings & Outgo:

Energy conservation measures, progress made in technology absorption and foreign exchange earning and outgo, as required by the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are set out in a separate statement is given in the Annexure 'A' forming part of this report.

Acknowledgements:

Your Board takes this opportunity to thank all 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.

Your Board also wishes to place on record its sincere appreciation for the whole hearted support received from our Bankers, Shareholders, and all other business associates for their valuable assistance and co-operation.

For & On Behalf of the Board

Place - New Delhi

Date: 13th August, 2014

Anil Khaitan

Chairman cum Managing Director

SUNIL HEALTHCARE LTD

Annexure 'A' to Director's Report

1 Conservation of Energy

(a) Energy Conservation measures taken.

The Company has instituted in house Energy Audit Committee which gives recommendations from time to time , which are implemented. This has enabled the Company to achieve Power Factor of Unity in most of the months.

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

No additional capital expenditure is being implemented at the moment except expenses on power saving motors and pumps.

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

The above mentioned measures taken by the Company has enabled the Company to the consumption of electricity and fuel oils under control

2 Energy Consumption

The energy consumption and energy consumption per unit of production as per Form'A' of the annexure to the rules in respect of the industries specified in the schedule thereto are as under:-

A Power & Fuel Consumption	Unit	2013-14	2012-13
Electricity			
(a) Purchased			
- Units	Kwh	9233640	8322770
- Total Amount	Rs.	48088785	49868894
- Rate Per Unit	Rs.	5.21	5.99
(b) Own generation through DG sets			
- Units	Kwh	241995	505563
- Unit per Ltr of Diesel	Kwh	3.43	3.21
- Cost per unit(Direct Cost)	Rs.	14.94	11.84
B Consumption per unit of production			
Product	Hard Gelatine Capsule Shells		
Electricity	Kwh per Million Capsules	1,475	1438

3 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 Technology Absorption, Adaptation & Innovation :

- | | |
|---|----------------|
| (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. |

4 Foreign Exchange Earnings & Outgo:

- | | |
|--|--|
| 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 Total Foreign Exchange used and earned	2013-14	2012-13
(a) Used Rs. in Lacs	1235.10	1481.90
(b) Earned Rs. in Lacs	2941.40	2227.82

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:

1. OVERVIEW:

Sunil Healthcare limited, having plant at Alwar; Rajasthan for manufacture of Hard Gelatin Capsule Shells. The company was commenced its manufacturing operation in 1976 with installed capacity of 200 million Hard Gelatin Capsule Shell. With gradual expansion, now the installed capacity is 7700 million capsules p.a.

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 Indian pharmaceutical industry is a success story providing employment for millions and ensuring that essential drugs at affordable prices are available to the vast population of this sub-continent."

India is among the top five emerging pharma markets and has grown at an estimated compound annual growth rate (CAGR) of 13 per cent during the period FY 2009-2013. The Indian pharmaceutical market is poised to grow to US\$ 55 billion by 2020 from the 2009 levels of US\$ 12.6 billion, according to the report titled 'India Pharma 2020' by McKinsey & Co.

A new cluster of countries is contributing to the growth of the pharma industry, resulting in a robust jump in exports of drugs. The country's pharma industry accounts for about 1.4 per cent of the global pharma industry in value terms and 10 per cent in volume terms. Both domestic and export-led demand contributed towards the robust performance of the sector.

An increase in insurance coverage, an ageing population, rising income, greater awareness of personal health and hygiene, easy access to high-quality healthcare facilities and favorable government initiatives are some of the important factors expected to drive the pharma industry in India. The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacturing.

On improved utilisation of manufacturing facilities, the domestic pharmaceutical market is likely to see high revenue growth and profit margins. Pharmaceutical sales in India are expected to grow by 4.4 per cent to US\$ 27 billion in 2016 from US\$ 22.6 billion in 2012, according to a report by Deloitte called '2014 Global Life Sciences Outlook'.

India's pharmaceutical exports stood at US\$ 14.84 billion in FY 2013-14. The United States (US) is the

country's biggest market for pharma exports accounting for about 25 per cent, followed by the United Kingdom (UK). "India has been able to make its name as a quality supplier of affordable medicines across the globe. We are expecting around 12 per cent growth this fiscal (2014-15)," said Mr P V Appaji, Executive Director, Pharmaceutical Export Promotion Council of India (Pharmexcil).

Pharma exports from India will be more than the size of the domestic sales by FY 2015, according to a report by India Ratings & Research. The country provides generic medicines to almost 200 countries. It is responsible for about 40 per cent of the generic and over-the-counter drugs consumed in the US. Indian generics market is expected to grow to US\$ 26.1 billion by 2016 from US\$ 11.3 billion in 2011.

India Ratings and Research has revised its outlook on the pharmaceuticals sector for FY 2014-15 to positive from stable on the back of increased exports. With the support of Pharmexcil and the government in the form of Brand India Pharma project iPHEX, the sector would continue to grow and meet the healthcare requirements of the developing world. The country will also see the largest number of mergers and acquisitions (M&A) in the pharmaceutical and healthcare sector, according to consulting firm Grant Thornton.

With 70 per cent of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth.

References: Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council.

3. OPPORTUNITIES:

Even as the Indian Pharmaceutical Industry is grouping 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 by 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.

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 major pressure is on the price.

5. COMPANY OUTLOOK:

With the increase of installed capacity and exports of the product of the company, the management is optimistic about the future outlook of the company in short, medium and long-term.

6. RISK CONCERNS:

Risk is an expression of uncertainty about events and their possible outcomes that could have a material impact on the goal of the Company. Since no business is risk free. The Management of the Company is committed to their ongoing and proactive recognition, assessing their possible influence and initiating action to mitigate their impact.

The management had reviewed the risk management policies and accordingly the assets, buildings, plant & machinery, stocks etc. of the company have been adequately insured. The Company follows pragmatic policies in its receivable management and has elaborate checks in place. Detailed report on Risk Analysis is enclosed as per Annexure.

7. INTERNAL CONTROL SYSTEM AND ADEQUECY:

The Company has proper and adequate systems of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

The Company has effective systems in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. This is continually reviewed for effectiveness and is augmented by written policies and guidelines, the careful selection of qualified personal and a strong internal audit programme.

Adherence to the internal controls and their adequacy is ensured through frequent management/internal audits. A qualified and independent Audit Committee of the Board of Directors also reviews the internal auditors' reports and the adequacy of internal controls at quarterly intervals.

8. DISCUSSIONS ON FINANCIAL PERFORMANCE:

Highlights	2013-14	2012-13	% Change
Total Production (Capsules In Millions)	6444	6114	5.40
Total Sales (Capsules in Millions)	6459	5981	7.99
Net Revenue from Operations (In Lacs)	6166	4613	33.66
Profit before Interest, Dep. & Tax (In Lac)	1169	807	44.86
Finance Cost	248	261	-4.98
Depreciation	409	382	7.07
Profit before Tax (IN lacs)	512	219	134
Profit After Tax	328	144	128
Earnings per share	3.20	1.41	126.95

(i) Sales

There was increase in the net revenue from operation in the current year by 33.66%.

(ii) Profit before interest, Depreciation and Tax

PBIDT increased by 44.86% for the year when compared to the last year.

(iii) Finance Cost

There was decreased by 4.98% in the finance cost during the year mainly on account of repayment of Term Loan.

(iv) Net Profit

The net profit has been increase from 144 lacs in 2012-13 to 328 lacs in 2013-14.

9. HUMAN RESOURCES:

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.

- c. Regular Training programmes are conducted comprising behavioral and technical programme.

10. QUALITY INITIATIVE

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 also received ISO: 9001:2008, ISO 14001:2004 Environmental Management System, ISO 18001:2007 OH&S Management System, ISO 22000:2005, Food Safety Management System, TGA Certificate, Halal, Kosher & WHO-GMP certification which shows further, its quality standards. In recognition of quality performance, the company has been awarded India's **Top 500 manufacturing small and mid sized Company Award.**

11. 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 to provide all the details about the Company and its product. Company is in process of SAP implementation.

12. 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.

RISK ANALYSIS: -

Risk Identification

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.

- **Business segments**

- The Company deals in Business segment of Manufacturing Hard Gelatin Capsule Shells. In this segment the company has reached to installed capacity of 7700 million capsules at the existing facility. The Company is also doing the trading of food items.

- **Geographical Concentration of business.**

- Last year Exports accounts for about 51.57 % of the Company's revenues and during current fiscal the Company is expecting to increase its exports to 64 %. 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**

- During the year about 64 % of the Company's revenue is expected from foreign exchange, 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.

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.

- **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.

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 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.

SUNIL HEALTHCRE 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, the Company's Report on Corporate Governance for the year ended 31st March, 2014 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. 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. None of the Director is a member in more than 10 Committees or act as Chairman of more than 5 committees across all Companies in which he is Director.

- (a) The Board of Directors of the Company consists of seven directors comprising one Executive Director and Six Non-Executive Independent Directors. The Independent 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 2014 is as follows:

S. No.	Name of the Director	Category	Other Boards Particulars			
			Director Ships (A)	Chairman Ship (B)	Committee (s) (C) (Including SHL)	
					Chairman ship	Member ship
1	Mr. Anil Khaitan	Executive	1*	-	1	-
2	Mr.S.N.Balasubramanian	Independent / Non-Executive	--	-	--	2
3	Mr. Joginder Singh IPS (Retd)	Independent / Non-Executive	4	-	1	-
4	Mr. Rajat Kumar Niyogi IPS (Retd.)	Independent / Non-Executive	--	--	--	3
5	Mr. Sanjay Kumar Kaushik	Independent / Non-Executive	1	-	--	3
6	Mr. B. P. Srinivasan	Independent / Non-Executive	-	-	--	--
7	Mr. Ramesh C Khurana	Independent / Non-Executive	-**	-	1	--

Notes:

- Directorship in other companies.
- Chairmanship in other companies.
- Committee includes Shareholders/ Investors Grievance Committee, Audit Committee and Selection & Remuneration Committee.
- None of the director is related to any other director.

*Mr. Anil Khaitan was appointed as a director in M/s Nada Vibronics Private Limited (formally known as Vidhi Vedika Heritage Private Limited) as on 25.02.2014.

** Mr. R C Khurana was appointed as Nominee Director 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.

- 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 4 meetings during the financial year 2013-14 on 11.05.2013, 06.08.2013, 09.11.2013 and 11.02.2014.

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	No
2	Mr. S N Balasubramanian	4	4	No
3	Mr. Joginder Singh IPS (Retd.)	4	4	No
4	Mr. Sanjay Kumar Kaushik	4	1	No
5	Mr. Rajat Kumar Niyogi IPS (Retd.)	4	4	No.
6	Mr. B. P. Srinivasan (Prof.)	4	4	No.
7	Mr. Ramesh C Khurana	4	4	Yes

- 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 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.

- (e) All pecuniary relationship or transactions of the non-executive directors' viz. a viz. the Company should be disclosed in the Annual Report.
- (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 40th 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, 2014

(D) BOARD COMMITTEES

Your Company's Board has three sub-committees: -

I Audit Committee.

II Nomination & Remuneration Committee (formerly known as Selection & Remuneration Committee, reconstituted on 24th May, 2014)

III Stakeholder Relationship Committee. (formerly known as Shareholders & Investor Grievance Committee, reconstituted on 24th May, 2014)

IV Corporate Social Responsibility 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 independent non-executive directors as members. The Audit Committee presently comprises of four members viz. Mr. Ramesh Chander Khurana, Mr. S. N. Balasubramanian, Mr. Sanjay Kumar Kaushik and Mr. Rajat Kumar Niyogi IPS (Retd.). Mr. R C Khurana is the Chairman of the Audit Committee. 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 sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - 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.
- i) Reviewing and monitoring auditor independence
- j) Approval of truncation with related parties
- k) Scrutiny of inter corporate loans
- 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 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 4 times during the financial year 2013-14 on 11.05.2013, 06.08.2013, 09.11.2013 and 11.02.2014.

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	4	4	Yes
2	Mr. S N Balsubramanian	Non-executive /Independent	4	4	no
3	Mr. Sanjay Kumar Kaushik	Non-executive /Independent	4	1	No
4	Mr. Rajat Kumar Niyogi IPS (Retd.)	Non-executive /Independent	4	4	No.

Note:-

There has been no change in the composition of Audit Committee since the last Annual general Meeting of the Company as stated above.

(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. Rajat Niyogi IPS (Retd.) Mr. Joginder Singh IPS (Retd) is the Chairman of the Committee.

During the year 2013-14 only one meeting of Committee was held on 11.05.2013 on the following matters:-

1. Renewal in the remuneration payable to Chairman Cum Managing Director of the Company.
2. Renewal cum Enhancement in the remuneration payable to Mr. Ishan Khaitan, President (Operation & Marketing) of the Company.
3. Appointment of Mr. Kahaan Khaitan as Sr Vice President Procurement
4. Appointment of Mrs. Aanchal Khaitan as a Manager -Business Development

Remuneration Policy.

Mr. Anil Khaitan, Chairman Cum Managing Director is being paid remuneration as stipulated in Part II of the Schedule XIII of the Companies Act, 1956 and other non-executive directors are paid sitting fees @ 8500/ from 11th May, 2013 for each meeting of the Board or any committee attended by them plus reimbursement of actual traveling and out of pocket expenses.

Remuneration to Directors

The details of remuneration paid to all the Directors during the year ended 31st March 2014 are given below:-

S No	Name	Salary	Perquisites & Allowances	Sitting Fees	Total
1	Mr. Anil Khaitan	1601712	1285409	---	2887121
2	Mr. Joginder Singh IPS (Retd. & former CBI Director)	-	-	42500	42500
3	Mr. Sanjay Kumar Kaushik	-	-	17000	17000
4	Mr. S.N. Balasubramanian	-	-	68000	68000
5	Mr. Rajat Kumar Niyogi (IPS Retd)	-	-	76500	76500
6	Mr. B. P. Srinivasan	-	-	34000	34000
7	Mr. R C Khurana	-	-	68000	68000

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

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

A Board Committee under the Chairmanship of Non-Executive Director is functioning to specifically look into the status of redressal of Shareholders and investors complaints and suggest measures to improve investor relations. The committee is authority for registration of transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, issue of duplicate shares certificate and dematerialization of shares etc. 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 Investors Grievance Committee consists of following Members:-

1. Mr. Sanjay Kumar Kaushik
2. Mr. Rajat Kumar Niyogi IAS (Retd.)

The Committee met 15 times during the financial year 2013-14 on 30.04.2013, 29.06.2013, 10.07.2013, 31.07.2013, 10.08.2013, 31.08.2013, 10.09.2013, 21.10.2013, 31.10.2013, 19.11.2013, 18.12.2013, 10.02.2014, 28.02.2014 and 20.03.2014.

During the financial year two investor grievances was received. The status of investor queries/complaints was nil mention as under:

S.No	No. of Investor Queries/Complaints received in the year 2013-14	Pending at the end of the year	No of Pending Share Transfers
1	2	Nil	Nil

In accordance with Section 178(5) 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 Shareholders Grievances Committee to Stakeholders Relationship Committee and enhanced their role. Therefore the said Committee shall in addition to the above role, also consider and resolve the grievances of debenture holders, deposit holders and other security holders of the Company

(IV) Corporate Social Responsibility Committee

During the year the Board of Directors of the company has constituted a CSR committee under the Chairmanship of Mr. Joginder Singh Former CBI Director, along with two members, Mr. S N Balasubramaniam and Mr. R C Khurana, all are independent directors.

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.

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 Sauchalaya**"

(E) General Meetings

1. The Annual General Meeting of the Company (AGMs) has been held at following places in the last three (3) years.

Financial Year	Venue	Day , Date & Time	Details of Special Resolution Passed
39 th AGM held for the FY 2012-13	38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049	S a t u r d a y , 20 th July, 2013	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	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
37 th AGM held for the FY 2010-11	38E/252-A, First Floor, Vijay Tower, Shahpurjat, New Delhi-110049	Friday, 16 th September, 2011	A. Renewal of Remuneration of Mr. Anil khaitan CMD of the Company B. Renewal of Remuneration of Ishan Khaitan President -Operation & Marketing of the Company C. remuneration to Mrs. Sarita Khaitan, Chief Strategic Officer of the Company D. increased the authorised share capital 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 2013-14. 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 have been disclosed under Note no. 29.2.6 in the "Notes to the Financial Statement" to the accounts for the year under review.
- (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) A certificate from CEO/CFO was placed before the board.

(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 Reports are posted to every Shareholder of the Company.
- 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%20relation).

- The board of Directors are very glad to inform you that your Company has received the trading approval for listing its securities at Bombay Stock Exchange (BSE) vide their letter ref no DCS/DL/NP/TP/603/2013-14 Dated 22nd January, 2014 under its Direct Listing route and trading has been started on 23rd January, 2014. As you all are aware that before listing at BSE, the Company was listed at Calcutta, Delhi and Jaipur Stock Exchanges, where, unfortunately there was no trading for last many a years. The Company's scrip id on the BOLT system is **SUNLOC** and code no is 537253 and the abbreviated name is **SUNIL HEALTH**. A letter received from the BSE is put on the website of the company.

(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.

(I) General Shareholder's Information

(a) Annual General Meeting :-

Date, Time and Venue : Saturday, 27 September, 2014 at 11:00 a.m.
: 38E/252A, Vijay Tower, Shahpurjat, New Delhi-110049

(b) Financial Calendar:- (Tentative)

Financial Year : 1st April, 2014 to 31st March, 2015

1st Quarterly Results : 4th week of July, 2014

2nd Quarterly Results : 4th week of October, 2014

3rd Quarterly Results : 4th week of January, 2015

4th Quarterly Results : 4th week of April, 2015

(c) Book Close Date : 20th September, 2014 to 27th September, 2014 (both days inclusive)

(d) Listing of Equity Shares on stock exchanges: Bombay, Delhi, Kolkata and Jaipur

Note" The Securities of the Company were delisted from the Jaipur Stock Exchange on dated 06th July, 2014 as per their letter reference no JSEL/2014/955 Dated 12th August, 2014

(e) Scrip Code: : 537253 (Bombay Stock Exchange , trading startedon 23.01.2014)

(f) Market Price Data: - High & Low during each month in the financial year 2013-14 as under:-

Month	Highest (Rs.)	Lowest (Rs.)	No of Trades	No of Share Traded	Total Volume (Rs.)
January-2014	33.60	22.55	59	14558	4,31,418
February-2014	22.65	15.15	284	48619	10,38,629
March -2014	25.50	18.10	379	40079	8,82,458

(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: -**

M/s MCS Ltd. (Unit- Sunil Healthcare Ltd) Sri Venkatesh Bhavan, F-65, First Floor Okhla Industrial Area, Phase I, New Delhi- 110020 Ph. 011- 41406149-51 Fax-011-41409881

(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 MCS 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 2014

No. of Shares Range	No. of Shareholders	% of Shareholders	Value of Shares Held	% of Shareholding
1 to 5,00	5726	94.86	626977	6.11
501 to 1,000	163	2.70	120452	1.17
1,001 to 2,000	75	1.24	108057	1.05
2,001 to 3,000	13	0.22	34261	0.33
3,001 to 4,000	13	0.22	44354	0.43
4,001 to 5,000	3	0.05	13703	0.13
5,001 to 10,000	19	0.31	126941	1.24
10,001 to 50,000	14	0.23	357969	3.49
50,001 to 100,000	3	0.05	191755	1.87
and above	7	0.12	8630281	84.16
Total	6036	100.00	10254750	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH 2014

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	7083255	69.07
Banks/Financial Institutions/ Insurance Companies/Mutual Funds etc.	7	0.12	10476	0.102
NRI's and OCB's	10	0.17	2024	0.020
Other Bodies Corporate	78	1.29	1896032	18.49
Indian Public	5938	98.37	1262963	12.32
Total	6036	100.00	10254750	100.00

(k) Dematerialization of Shares

ISIN NO. INE 671C01016

91, 79,554 shares of the Company are being held in Demat form as on 31st March 2014 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- **M/s MCS Ltd.** (Unit- Sunil Healthcare Ltd)
Sri Venkatesh Bhavan, F-65, First Floor
Okhla Industrial Area, Phase I, New Delhi- 110020
Ph. 011- 41406149-51 Fax-011-41409881

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	Date of Appointment, Birth & No. of share Held	Qualification	Nature of Experience	Directorship in other companies	Committee Chairmanship / Membership
Mr. Joginder Singh (IPS Retd) 00836395	29.01.2000/ 12.10.1939 and nil	MA in English	having more than 49 years' experience in the Indian Police Service and also he is a author	CMYK Printeck Ltd., TOPS Securities Ltd. Worldwide Immigration Consultancy Service Ltd. Crystal Corp Protection Pvt. Ltd.	Chairman of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Company
Mr. Sanjay Kumar Kaushik 00329013	03.06.2003/ 01.01.1969 and NIL	B Com	Having more than 25 years' experience in own business	Kaneeka Trimurti Minerals Pvt. Ltd	Member of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee of the Company
Mr. S N Balasubramaniam 01494383	29.09.2006/ 09.05.1933 and Nil	B.Com, & FICWA,	having more than 22 years' experience in various industries as a senior position & consultant	Nil	Member of Audit Committee, Corporate Social Responsibility Committee of the Company
Mr. R K Niyogi (IPS Retd.) 01823164	26.10.2007/ 12.05.1940 and Nil	MA in History	having more than 47 years' vast experience in the Indian Police Service	Nil	Member of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee of the Company
Mr. B P Srinivasan 02543837	31.01.2009/ 26.08.1948 and Nil	Ph.D., M Sc. Drug Assay from AIIMS, B.pharmacy	having more than 37 years' experience in Teaching and Research	Nil	Nil
Mr. R C Khurana 00017354	09.02.2013/ 05.10.1952 and Nil	Bse, L.Lb	More than 43 year vast experience in banking sector	Nil	Chairman of Audit Committee and member of Corporate Social Responsibility Committee of the Company
Dr. Lata Singh (Retd IAS) 06947846	05.07.1937/ 13.08.2014 And Nil	Ph. D, I. I.T., B.A. and M.A.	Vast experience in Adviser of Govt. Of India on various matter and given her contribution in various capacities in Govt of India and Govt of UP	Nil	Nil

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Sunil Healthcare Limited

We have examined the compliance of the conditions of Corporate Governance by M/s Sunil Healthcare Limited for the year ended 31st March 2014 as stipulated in Clause 49 of The Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We 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 SINGHI & CO.
Chartered Accountants
Firm Reg. No.302049E

B.K. Sipani
Partner
Membership No.088926

Place: New Delhi

Date: 13th August, 2014

DECLARATION OF COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,

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

The Company has framed a specific Code of Conduct for the members of the Board of Directors and Seniors Management Personnel of the Company pursuant to the Clause 49 of the Listing Agreement with the Stock Exchange to further strengthen corporate governance practice in the Company.

All the members of the Board and Senior Management Personal of the Company have affirmed due observance of the said Code of Conduct in so far it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2014.

Place: New Delhi

Date: 24th May, 2014

Anil Khaitan
Chairman cum Managing Director

SUNIL HEALTHCARE LTD
INDEPENDENT AUDITOR'S REPORT
To the Members of Sunil Healthcare
Limited, Report on the Financial Statements

We have audited the accompanying financial statements of Sunil Healthcare Limited, ("the company") which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies' Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b. In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the other legal and regulatory requirements

1. As required by the companies (Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statements on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards

referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

Place:- New Delhi

B.K.Sipani

Dated:- 24th May' 2014

Partner

Membership No : 088926

Annexure 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 fixed assets.
- b. Fixed Assets of the company have been physically verified by the management as per a regular programme of verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancy was noticed on such verification.
- c. There was no substantial disposal of fixed assets during the year.
- (ii) a. As explained to us inventories were physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory and no material discrepancy was noticed on physical

verification.

- (iii) As informed, during the year the company has not taken or granted any loan, secured or unsecured from or to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion and according to the information and explanations provided by the management, we are of the opinion that the company has not entered into any contract or arrangement exceeding value of five lakh, which require to be entered into the register maintained under section 301 of the Companies Act'1956.
- (vi) In our opinion and according to the information and explanations given to us, the company has not received any deposits from public u/s 58A & 58AA of the Companies Act, 1956 and rules framed there under. Accordingly, clause 4 (vi) of the Order is not applicable
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by Central Government for the maintenance of cost records under section 209(1)(d) of the Companies' Act 1956 in respect to the company's products to which 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.
- (ix) a. According to the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, services tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities except delay in some cases. There are no undisputed outstanding statutory dues as at the year-end for a period of more than six months except advance Income tax Rs. 22, 52,540
- b. According to the records of the company, there are no dues outstanding after adjusting payment made under protest, of sales tax, income tax, service tax, custom tax, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company has no accumulated loss at the end of the financial year and it has not incurred any cash loss in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and according to information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. We have been informed that the company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, clause 4 (xiii) of the Order is not applicable.
- (xiv) The company does not deal or trade in shares, securities, debentures and other securities. Accordingly clause 4(xiv) of the Order is not applicable
- (xv) According to the information and explanations given to us, the company has not given any corporate guarantees in favour of financial institution/bank for loans taken by others.
- (xvi) In our opinion and on the basis of information and explanations given to us, the term loan was applied for the purpose for which they were obtained.
- (xvii) According to information and explanations given to us and overall examination of the Balance Sheet and Cash Flow of the company, funds raised on short-term basis have not been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The company did not have any outstanding debenture during the year. Accordingly clause 4(xix) of the Order is not applicable
- (xx) The company has not raised any money through a public issue during the year. Accordingly clause 4(xx) of the Order is not applicable
- (xxi) Based on our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the company, has been noticed or reported during the year.

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

Place:- New Delhi
Dated:- 24th May' 2014

B.K.Sipani
Partner
Membership No : 88926

SUNIL HEALTHCARE LIMITED
BALANCE SHEET
As at 31st March 2014

(Rs.in Lakhs)

	Notes	As at 31/03/2014	As at 31/03/2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1,025.48	1,025.48
Reserves and Surplus	2	<u>1,287.05</u>	<u>960.43</u>
		2,312.53	1,985.91
Non-Current Liabilities			
Long-term Borrowings	3	380.39	432.86
Deferred Tax Liabilities (Net)	4	216.87	245.43
Long-term Provisions	5	<u>59.35</u>	<u>55.19</u>
		656.61	733.48
Current Liabilities			
Short-term Borrowings	6	1,451.29	1,615.02
Trade Payables	7	628.30	571.65
Other Current Liabilities	8	322.73	376.24
Short-term Provisions	9	<u>194.25</u>	<u>52.02</u>
		2,596.57	2,614.93
TOTAL		5,565.71	5,334.32
ASSETS			
Non-Current Asset			
Fixed Assets			
Tangible Assets	10	2,679.82	2,745.09
Intangible Assets	10	21.82	2.02
Capital Work-in-Progress		25.97	117.85
Intangible Assets under Development		-	7.28
Long-term Loans and Advances	11	<u>61.73</u>	<u>48.11</u>
		2,789.34	2,920.35
Current Assets			
Current Investments	12	0.06	0.06
Inventories	13	774.79	766.55
Trade Receivables	14	1,689.74	1,407.85
Cash and Bank Balances	15	155.37	119.92
Short-term Loans and Advances	16	77.55	74.61
Other Current Assets	17	<u>78.86</u>	<u>44.98</u>
		2,776.37	2,413.97
TOTAL		5,565.71	5,334.32
Contingent Liabilities and Commitment	18		
Significant Accounting Policies and Notes on Accounts	29		

Notes 1 to 29 form an integral part of the Financial Statements

As per our Report of even date Annexed

For SINGHI & CO.

Chartered Accountants

Firm Reg. No. 302049E

Sd/-

(B K SIPANI)

PARTNER

M. No. 88926

New Delhi

The 24th May, 2014

Chairman cum Managing Director

Directors

Chief Financial Officer

AGM-Legal cum Company Secretary

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Mr. Anil Khaitan

Mr. Joginder Singh IPS (Retd.)

Mr. RK Niyogi IPS (Retd.)

Mr. S N Balsubramanian

Mr. Sanjay Kumar Kaushik

Mr. R C Khurana

Mr. B.P. Srinivasan

Mr. Pawan Rathi

Mr. Virendra Garg

SUNIL HEALTHCARE LIMITED
STATEMENT OF PROFIT & LOSS
For the year ended 31st March 2014

		(Rs.in Lakhs)	
Notes	Year Ended 31/03/2014	Year Ended 31/03/2013	
REVENUES			
	19	6459.21	4,881.83
		293.24	268.49
		6165.97	4,613.34
	20	52.49	86.19
		6218.46	4,699.53
EXPENSES			
		273.44	5.82
	21	1920.04	1,539.37
	22	(52.00)	(132.29)
	23	712.87	621.80
	24	517.70	571.57
	25	1677.41	1,286.35
		5049.46	3,892.62
		1169.00	806.91
Profit before Finance Cost, Depreciation, Amortisation, Exceptional items and Tax (I)-(II)			
	26	247.67	261.26
	27	409.36	382.09
		511.97	163.56
Profit before Tax and Exceptional Items			
	29.2.1	-	55.00
		511.97	218.56
Profit before Tax			
	28	212.52	50.91
		(28.56)	23.30
		328.01	144.35
Earnings per Equity Share:of Rs. 10/-Per share			
	29.2.5	3.20	1.41
		3.20	1.41
Accounting Policy and Notes on Accounts			
	29		

Notes 19 to 29 form an integral part of the Financial Statements

As per our Report of even date Annexed

For SINGHI & CO.

Chartered Accountants

Firm Reg. No. 302049E

Sd/-

(B K SIPANI)

PARTNER

M. No. 88926

New Delhi

The 24th May, 2014

Directors

Chief Financial Officer

AGM-Legal cum Company Secretary

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Mr. Anil Khaitan

Mr. Joginder Singh IPS (Retd.)

Mr. RK Niyogi IPS (Retd.)

Mr. S N Balsubramanian

Mr. Sanjay Kumar Kaushik

Mr. R C Khurana

Mr. B.P. Srinivasan

Mr. Pawan Rathi

Mr. Virendra Garg

SUNIL HEALTHCARE LIMITED
CASH FLOW STATEMENT

For the year ended 31st March 2014

(Rs.in Lakhs)

	Year Ended 31/03/2014	Year Ended 31/03/2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	511.97	218.56
Adjustment for :		
Finance Costs	247.67	261.26
Depreciation and Amortization Expenses	409.36	382.09
Liabilities/ Provisions no longer required written back	(34.40)	(45.86)
Advances and Bad debts written off	46.25	0.89
(Profit)/Loss on Sales/Discarded of Fixed Assets	14.40	7.79
Interest Income	(10.37)	(8.73)
Operating profit before working capital changes	1184.88	816.00
Changes in working Capital:		
(Increase)/Decrease in Inventories	(8.25)	(197.84)
(Increase)/Decrease in Trade and other Receivables	(354.51)	(184.83)
(Increased)/Decrease Short Term Loan and advances	(15.84)	58.23
Increase /Decrease in Current Liabilities & Provision	99.63	85.46
Cash generation from Operation	905.91	577.02
Payment of Direct Taxes	(88.05)	(153.08)
Net Cash generated/ (used) - Operating Activities	817.86	423.94
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(305.90)	(758.70)
Sale of Fixed Assets	11.34	5.87
Movement in Margin Money	10.59	(18.32)
Interest Received	12.51	6.90
Net Cash Generated/ (Used) - Investing Activities	(271.46)	(764.25)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-term Borrowings	(87.16)	172.41
Proceeds/ Repayment of Short-term Borrowings (Net)	(163.73)	397.58
Finance Cost Paid	(248.89)	(257.55)
Net Cash Generated/ (Used) - Financing Activities	(499.78)	312.44
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	46.62	(27.87)
Add : Opening Cash and Cash Equivalents	39.11	66.98
Closing Cash and Cash Equivalents	85.73	39.11
Components of Cash & Cash equivalents		
Cash in hand	2.57	2.79
Balances with Schedule Banks		
In Current Accounts	83.16	36.33
Unclaimed Dividend Accounts	1.77	2.34
Fixed and Call Deposits Accounts	67.86	78.46
	155.36	119.92
Less: Fixed Deposits considered in Investing Activity & Unclaimed dividend lying with Bank	69.63	80.81
	85.73	39.11

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash flow Statement" as notified under the Companies (Accounting Standard) Rule 2006.
- Figures have been regrouped/ rearranged wherever necessary.

As per our Report of even date Annexed
For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

Sd/-
(B K SIPANI)
PARTNER
M. No. 88926
New Delhi

The 24th May, 2014

FOR AND ON BEHALF OF BOARD OF DIRECTORS
Chairman cum Managing Director

Directors

Chief Financial Officer

AGM-Legal cum Company Secretary

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Mr. Anil Khaitan
Mr. Joginder Singh IPS (Retd.)
Mr. RK Niyogi IPS (Retd.)
Mr. S N Balsubramanian
Mr. Sanjay Kumar Kaushik
Mr. R C Khurana
Mr. B.P. Srinivasan
Mr. Pawan Rathi
Mr. Virendra Garg

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

(Rs.in Lakhs)

As at

31/03/2014 **31/03/2013**

1. Share Capital:

A. Authorized, Issued, Subscribed and Paid-up Share Capital

Authorized:

10800000 (Previous year 10800000) Equity Shares of Rs.10 /-each.	1,080.00	1,080.00
20000 (Previous year 20000) Redeemable Cumulative Preference Shares of Rs 100/- each	20.00	20.00
	1,100.00	1,100.00

Issued:

10254750 (Previous year 10254750) Equity Shares of Rs.10 /-each.	1,025.48	1,025.48
	1,025.48	1,025.48

Subscribed and Paid-up:

10254750 (Previous year 10254750) Equity Shares of Rs.10/-each fully paid-up	1,025.48	1,025.48
	1,025.48	1,025.48

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

	2013-14		2012-13	
	Numbers	Rs.Lakhs	Numbers	Rs. Lakhs
Equity Shares outstanding at the beginning of the year	10,254,750	1,025.48	10,254,750	1,025.48
Equity Shares outstanding at the end of the year	10,254,750	1,025.48	10,254,750	1,025.48

Terms/Right 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 shareholders. There is no restriction on distribution of dividends. However same is subject to the approval of the shareholders in the Annual General Meeting.

6. Number of Shares issued for consideration other than cash Bonus shares	2013-14	2012-13	2011-12	2010-11	2009-10	Total
	-		932,250	4,661,250		5,593,500
	-	-	932,250	4,661,250	-	5,593,500

3. Detail of shareholder holding more than 5 percent shares of the Company as on reporting date are given below:

Name of shareholder	As at 31/03/2014		As at 31/03/2013	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Mr. Anil Kumarr Khaitan	5485444	53.49%	2394235	23.35%
M/S Magnum Computer Private Limited	1327211	12.94%	1327211	12.94%
M/S Kundan Financial Services Private	531810	5.19%	531810	5.19%

SUNILHEALTHCARELIMITED
NotestotheFinancialStatements

(Rs.in Lakhs)

		Asat	
		31/03/2014	31/03/2013
2	Reserves and Surplus:		
(i)	Capital Reserve		
	Balanceasperlastfinancialstatement	15.17	15.17
		<u>15.17</u>	<u>15.17</u>
(ii)	Capital Redemption Reserve		
	Balanceasperlastfinancialstatement	7.50	7.50
		<u>7.50</u>	<u>7.50</u>
(iii)	Revaluation of Fixed Assets Reserve		
	Balanceasperlastfinancialstatement	35.00	36.39
	Less:TransferttoStatementofProfit&Loss	1.39	1.39
		<u>33.61</u>	<u>35.00</u>
(iv)	General Reserve		
	Balanceasperlastfinancialstatement	250.40	250.40
		<u>250.40</u>	<u>250.40</u>
(v)	SurplusinStatementofProfit&Loss		
	Balanceasperlastfinancialstatement	652.36	508.01
		<u>652.36</u>	<u>508.01</u>
	Add:Profitduringtheyear	328.01	144.35
		<u>980.37</u>	<u>652.36</u>
	TotalReserveandSurplus(itov)	<u>1,287.05</u>	<u>960.43</u>

3 Long-term Borrowings

	Non-Current Portion		Current Maturities	
	Asat		Asat	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Secured				
Term Loans From a Bank (a)	259.48	335.31	84.00	149.80
Vehicle Loan from Bank (b)	39.85	67.48	27.63	24.03
Vehicle Loans from others (c)	1.00	3.92	2.94	2.75
	<u>300.33</u>	<u>406.71</u>	<u>114.57</u>	<u>176.58</u>
Unsecured				
Loans from Chairman Cum Managing Directors (d)	-	12.63	5.40	-
Loan from Bodies Corporate (e)	80.06	13.52	41.95	20.02
	<u>80.06</u>	<u>26.15</u>	<u>47.35</u>	<u>20.02</u>
	<u>380.39</u>	<u>432.86</u>	<u>161.92</u>	<u>196.60</u>

(a)

Term Loans are Secured by specific Plant & Machineries and other immovable or movable fixed Assets, purchased against specific loan. The same is also personally guaranteed by Chairman cum Managing director and a relative. Payment of Term loans of non-current portion and rate of interest payable is as follows:

S.No.	Current Year				Previous Year			
	Asat 31 st March 2014	No. of Installments	Periodicity	Rate of Interest	Asat 31 st March 2013	No. of Installments	Periodicity	Rate of Interest
1	252.00	36	Monthly	14.70%	329.00	47	Monthly	15.45%
2	7.48	1	-	-	6.31	1	Monthly	15.45%
	<u>259.48</u>				<u>335.31</u>			

- (b) Vehicle loan from Banks is secured against the hypothecation of specific assets acquired. Payment of non-current portion and rate of interest payable is as follows:

S.No.	Current Year				Previous Year			
	As at 31 st March 2014	No. of Installments	Periodicity	Rate of Interest	As at 31 st March 2013	No. of Installments	Periodicity	Rate of Interest
1	24.21	21	Monthly	10.50%	36.27	33	Monthly	10.50%
2	0.24	1	Monthly	0.11	2.96	13	Monthly	11.00%
3	15.40	13	Monthly	0.0975	28.25	25	Monthly	0.0975
	39.85				67.48			

- (c) Vehicle loan from others is secured against the hypothecation of specific assets acquired. The payment of non-current portion and rate of interest payable is as follows:

S.No.	Current Year				Previous Year			
	As at 31 st March 2014	No. of Installments	Periodicity	Rate of Interest	As at 31 st March 2013	No. of Installments	Periodicity	Rate of Interest
1	1.00	4	Monthly	6.61%	3.92	16	Monthly	6.61%
	1.00				3.92			

- (d) Loans from Chairman Cum Managing Director of 5.40 is interest free (Previous year Rs. 12.63)
(e) Loan from others aggregate of Rs. 22.69 payable in 11 monthly instalments w.e.f. 3rd March 2013 and carries rate of interest 19.29% p.a.
(f) Loan from others aggregate of Rs. 33.72 payable in 24 monthly instalments w.e.f. 29th March 2014 and carries rate of interest 19.67% p.a.
(g) Loan from others aggregate of Rs. 23.65 payable in 22 monthly instalments w.e.f. 07th February 2014 and carries rate of interest 19.51% p.a.

4 Deferred Tax Liabilities (Net)

	Rs. In Lakhs	
	As at	
	31-03-14	31-03-13
Deferred Tax Liabilities		
Depreciation and Amortisation Expenses	245.43	278.74
	245.43	278.74
Deferred Tax Liability (Assets)		
Provision for Employee Benefits Allowable on payment basis	28.56	33.31
	28.56	33.31
Deferred Tax Liabilities (Net)	216.87	245.43
5 Long-term Provisions		
Employee Benefits	59.35	55.19
	59.35	55.19

6 Short-term Borrowings

Secured

Loans repayable on demand

Cash Credit From Bank (a)

1101.75 1,173.42

Unsecured

Buyer's Credit from a Bank in Foreign Currency

349.54 441.60

1,451.29 1,615.02

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

- (a) Cash Credit 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 fixed assets of the company. The same is also personally guaranteed by Chairman cum Managing director and a relative.

	(Rs in Lakhs)	
	As at	
	31/03/2014	31/03/2013
7 Trade Payables		
Payable to Micro, Small and Medium Enterprises (a)	-	-
Others	628.30	571.65
	<u>628.30</u>	<u>571.65</u>

The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act,2006(MSME).Hence the necessary disclosure required under MSME-Act-2006 cannot be made.

8 Other Current Liabilities

Current maturities of long-term debt	161.92	196.60
Interest accrued but not due on borrowings	2.97	4.19
Unpaid Dividends	1.78	2.34
Customers' Credit Balances and Advances against orders	30.79	37.58
Capital Liabilities	-	13.34
Liabilities for Employees	58.24	50.83
Statutory dues Payables	67.03	71.36
	<u>322.73</u>	<u>376.24</u>

9 Short-term Provisions

Employee Benefits	47.56	39.44
Provision for Current Tax (Net of Advance Tax)	146.69	12.58
	<u>194.25</u>	<u>52.02</u>

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements
10 Fixed Assets

A. Tangible Assets

(Rs in Lakhs)

Description of Assets	Gross Block			Depreciation				Net Block		
	As at 31st March 2013	Additions/ Adjustment	Deduction/ Adjustment	As at 31st March 2014	Up to 31st March 2013	For the Year	Deduction/ Adjustment	Up to 31 st March 2014	As at 31st March 2014	As at 31st March 2013
Leasehold Land	31.17			31.17	11.04	0.39		11.44	19.74	20.13
Buildings	616.71	9.85		626.56	180.84	18.81		199.65	426.91	435.87
Plant and Equipment	4,550.84	228.13	40.09	4,738.88	2,671.50	344.96	35.14	2,981.33	1,757.55	1,879.34
Electric Installations	226.55	114.63	18.97	322.21	87.30	13.75	7.41	93.63	228.58	139.25
Furniture and Fixtures and Improvement on Rented Premises	113.02	12.02		125.05	35.99	6.66		42.65	82.40	77.03
Office Equipment	76.38	5.23		81.61	51.47	5.42		56.89	24.72	24.91
Vehicles	193.19			193.19	34.94	18.33		53.27	139.92	158.25
Tools & Dies	1.44			1.44	1.44			1.44	-	10.31
Other Assets	15.38		15.38	-	5.07	1.09	6.15	-	-	-
	5,824.68	369.86	74.43	6,120.11	3,079.59	409.40	48.70	3,440.29	2,679.82	2,745.09
Previous Year	4,982.52	888.74	46.57	5,824.69	2,729.28	383.24	32.91	3,079.61	2,745.08	2,253.25

(i) Vehicle Includes ` 140.00 (Previous Year ` 140.00) Under Finance Scheme

B Intangible Assets

Description of Assets	Gross Block			Depreciation				Net Block		
	As at 31st March 2013	Additions/ Adjustment	Deduction/ Adjustment	As at 31st March 2014	Up to 31st March 2013	For the Year	Deduction/ Adjustment	Up to 31 st March 2014	As at 31st March 2014	As at 31st March 2013
Software	18.54	-	-	18.54	16.52	0.25	-	16.77	1.77	2.02
Software -SAP	-	21.15	-	21.15	-	1.10	-	1.10	20.05	-
	18.54	21.15	-	39.69	16.52	1.35	-	17.87	21.82	2.02
Previous Year	18.54	-	-	18.54	16.27	0.25	-	16.52	2.02	2.27

(55)

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

(Rs in Lakhs)

	As at	
	31/03/2014	31/03/2013
11. Long-term Loans and Advances:		
(Unsecured, considered good)		
Capital Advances	7.54	6.84
Security Deposits	53.15	40.19
Other loan and advances	1.04	1.08
12 Current Investments		
(Valued at the lower of cost and fair value)		
Current portion of Long-term Investments	61.73	48.11
Investments in Government Securities (National Saving Certificates)	<u>0.06</u>	<u>0.06</u>
	0.06	0.06
13 Inventories:		
(As taken, valued and certified by the Management)		
(Valued at cost or Net Realisable value whichever is lower)		
Raw Materials	187.25	112.03
Raw Materials in Transits	-	137.32
Work-in-Progress	78.68	60.23
Finished Goods	356.70	324.57
Capsules Scrap	3.52	2.10
Stores and Spares	<u>148.64</u>	<u>130.30</u>
	774.79	766.55
14 Trade Receivables:		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months (from the due date)	178.80	172.19
Outstanding for a period less than six months	<u>1,510.94</u>	<u>1,235.66</u>
	1,689.74	1,407.85
15 Cash and Bank Balances:		
Cash and Cash Equivalents		
Cash on hand	2.57	2.79
Balance with Banks:		
Current Accounts	<u>83.16</u>	<u>36.33</u>
	85.73	39.12
Other Balances		
Balance with Banks:		
Earmarked Balances (Unpaid Dividend)	1.77	2.34
Deposits against Guarantee/Margin maturing for more than 3 months but within 12 months	<u>67.87</u>	<u>78.46</u>
	69.64	80.80
	<u>155.37</u>	<u>119.92</u>
16 Short-term Loans and Advances		
(Unsecured and considered good)		
Prepaid Expenses	25.53	20.33
Advance to Suppliers	21.19	26.91
Excise Duty & Service Tax Receivable	20.39	17.31
Others	<u>10.44</u>	<u>10.06</u>
	77.55	74.61

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

(Rs in Lakhs)

	As at	
	31/03/2014	31/03/2013
17 Other Current Assets		
Accrued Export and Other Incentives	54.77	28.39
Accrued Other Income	3.64	5.78
Income Tax Refundable	19.59	9.95
Income Tax paid under Protest	0.85	0.85
Others	0.01	0.01
	<u>78.86</u>	<u>44.98</u>
18 Contingent Liabilities and Commitments		
A. Contingent Liabilities		
(a). Claims against the company not acknowledged as debt:		
Demand for Octroi under disputes	8.47	8.47
Income Tax and Wealth Tax (Paid under Protest Rs 0.85 Previous year Rs.0.85)	0.85	0.85
(b) Customs duty on capital Goods imported under EPCG Scheme, against which export obligation is to be fulfilled.	NIL	6.51
(c) Customs duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled.	453.64	363.86
B. Commitments		
(a). Estimated amount of contracts remaining to be executed on capital account and not provided for (Advances paid ` 7.54 Previous Year ` 6.84)	10.95	45.36
19 Revenue from Operations :		
	Year ended	
	31/03/2014	31/03/2013
Sale of Products		
Empty Hard Gelatin Capsules	6,104.35	4,829.64
Traded Goods	277.54	4.70
Other Operating Revenue		
Export and Other Incentives	77.32	47.49
Gross Revenue from Operations	<u>6,459.21</u>	<u>4,881.83</u>
Less: Excise Duty	<u>293.24</u>	<u>268.49</u>
Net Revenue from Operations	<u>6,165.97</u>	<u>4,613.34</u>
Sales of product are after deduction of sales returns aggregating ` 46.47(Previous year ` 21.27) in respect of the goods sold in the previous year		
20 Other Income:		
Interest Income	10.37	8.73
Liabilities/ Provisions no longer required written back	34.40	45.86
Gain on foreign currency transactions and translation (Net)	-	23.11
Claim received	6.97	7.86
Miscellaneous Receipts	0.75	0.63
	<u>52.49</u>	<u>86.19</u>
21 Cost of Materials Consumed:		
Raw Material		
Gelatin	1,837.79	1,466.11
Colour & Chemical	82.25	81.84
	<u>1,920.04</u>	<u>1,547.95</u>
Less: Transfer to Capital Work-in-Progress/Capitalised	-	8.58
	<u>1,920.04</u>	<u>1,539.37</u>

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

Rs In Lakhs

	Year ended	
	31/03/2014	31/03/2013
22 Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade		
Opening Inventories		
Work-in-Progress (EHG Capsules)	60.23	64.13
Finished Goods	324.57	188.36
Capsule Scrap	2.10	2.12
	386.90	254.61
Less: Closing Inventories		
Work-in-Progress (EHG Capsules)	78.68	60.23
Finished Goods	356.70	324.57
Capsule Scrap	3.52	2.10
	438.90	386.90
	(52.00)	(132.29)
23 Employee Benefits Expenses:		
Salaries and Wages	593.85	514.27
Contribution to Provident and other Funds	57.39	61.04
Employee Welfare	61.63	49.86
	712.87	625.17
Less: Transfer to Capital Work-in-Progress/Capitalised		3.37
	712.87	621.80
24 Power and Fuel:		
Power and Fuel	517.70	577.73
	517.70	577.73
Less: Transfer to Capital Work-in-Progress/Capitalised	-	6.16
	517.70	571.57
25 Other Expenses:		
Consumption of Stores and Spares	47.93	49.84
Job Work charges	87.69	110.99
Packing Materials	120.81	99.42
Repairs to Buildings	23.06	12.65
Repairs to Machinery	295.81	208.72
Travelling & Conveyance including Directors' Travelling	124.34	67.35
Legal & Professional Charges	45.71	43.37
Rates and Taxes	4.92	8.07
Rent	43.48	40.50
Insurance	19.48	17.94
Auditors' Remuneration - (a)	2.25	2.80
Freight and Forwarding Expenses (Net)	383.66	328.52
Commission on Sales	38.91	19.91
Advances and Bad debts written off	46.25	0.89
Donation	0.10	0.46
Directors' Fees & Expenses	3.06	2.66
Loss on foreign currency transactions and translation (Net) (Other than considered as finance cost)	71.91	-
Loss on sale/Discarded of Fixed Assets	14.40	7.79
Increase/ Decrease of Excise Duty on closing stock	2.86	17.47
Miscellaneous Expenses	300.78	260.53
	1,677.41	1,299.88
Less: Transfer to Capital Work-in-Progress/Capitalised	-	13.53
	1,677.41	1,286.35

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

Rs. in Lakhs)

	Year ended	
	31/03/2014	31/03/2013
(a) Details of Auditors' Remuneration are as follows:		
Statutory Auditors:		
For Audit	1.20	1.20
For Tax Audit	0.30	0.30
For Quaterly Review	0.45	0.45
For Company Law matters	0.10	0.10
For Certification & Others	-	0.63
Reimbursement of expenses	0.20	0.12
	2.25	2.80
(b).Miscellaneous Expenses include :		
Repairs & Maintenance to Others	25.63	32.63
Postage, Telegram & Telephone Expenses	30.14	32.78
Bank Chages	70.88	48.24
Sales Promotion	31.99	34.12
Other Expenses	142.15	112.76
	300.78	260.53
26 Finance Costs:		
Interest Expenses	212.33	217.88
Other Borrowing Costs	-	28.66
Others	11.00	1.08
Net (Gain) /Loss on foreign currency transactions and translation	24.34	28.23
	247.67	275.85
Less: Transfer to Capital Work-in-Progress/Capitalised	-	14.59
	247.67	261.26
27 Depreciation and Amortization Expenses:		
Depreciation and Amortization Expenses:	410.75	383.48
Less: Transfer from Revaluation of Fixed Assets Reserve	(1.39)	(1.39)
	409.36	382.09
28 Tax Expenses		
Current Tax		
Current Tax for the year	204.00	50.91
	204.00	50.91
Current Tax adjustments for earlier years (Net)	8.52	-
	212.52	50.91
Deferred Tax		
Deferred Tax for the year	(28.56)	23.30
	(28.56)	23.30

Notes :

29. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

29.1 Significant Accounting Policies

The company has manufacturing facility at Alwar (Rajasthan) for 7700 Million (Previous year 7700 Million)of Hard Gelatin Capsule Shells. Comapany is also doing Trading of Food items.

b) Use of Estimates

The financial statement have been prepared to comply in all material respects with the mandatory Accounting Standards issued under the Accounting Standard rules, 2006 notified by the Central Government and the relevant provisions of The Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated.

SUNIL HEALTHCARE LIMITED

Notes to the Financial Statements

c. Fixed Assets:

Fixed Assets other than those which have been revalued, are stated at their cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses, in respect of setting up of new projects, are also capitalised and included in costs. Revalued Assets are stated at the value determined on revaluation.

The carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal / external factors, an impairment loss is recognised whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the asset's Net Selling Price and Value in Use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

d. Depreciation:

Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act 1956, (as amended). Depreciation on amount added upto 31st March 2007 due to exchange difference are provided on the balance useful life of the assets. Depreciation on amount added on Revaluation has been provided on Straight Line Method at the rates considered by the Valuers.

Leasehold land is amortised over the period of the lease. Improvement in rented premises and attached furniture etc. thereon is depreciated over the lease period

e. Investments:

Long Term Investments are stated at cost. Diminution in value of investment is not provided wherever the diminution is temporary in nature. Current investment are carried at lower of cost and fair value

f. Inventories:

Inventories other than capsule scrap are valued at lower of cost or net realizable value. Stock of capsule scrap is valued at net realizable value. Cost is determined on FIFO basis and wherever required appropriate overheads are taken into account. 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. Excise Duty payable on finished goods lying within the factory premises is also considered in valuation of Finished Goods.

In view of substantially large number of items in work-in-progress, it is not feasible to maintain the status of movement of each item at shop floor on perpetual basis. The company, however, physically verifies such stocks at the end of every year and valuation is made on the basis of such physical verification.

g. Retirement Benefits:

Yearend liability in respect of Gratuity benefits to the Employees of the Company has been determined on the basis of actuarial valuation. Gratuity up to certain amount per employee is covered under an Irrevocable Gratuity Fund under the Group Gratuity cum Life Assurance Scheme of the Life Insurance Corporation of India. The contribution towards the premium of the policy paid to the fund is treated as revenue expenditure. Excess of liability determined as per actuarial valuation over the reimbursement from Gratuity Fund is provided in the accounts

Yearend liability on account of unvested leave has been provided in the accounts on actuarial basis.

h) Foreign Currencies:

Transactions in Foreign Currency are accounted at exchange rate prevailing on the date of transaction. Monetary items denominated in Foreign Currency as at the Balance Sheet date are converted into rupee equivalent at the yearend exchange rate.

i) Sales and Services:

Sales are recognised when all significant risks and rewards of ownership are transferred to the customers and are net of returns, claims and discount etc.

j) Taxation:

Current tax is measured at the amount expected to be paid to the Revenue Authorities, using the applicable tax rates and laws. Deferred tax for timing differences between the book and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future and the same is reviewed at each Balance Sheet date.

SUNIL HEALTHCARE LIMITED

Notes to the Financial Statements

k) Recognition of Income and Expenditure

All the Income and Expenditure are accounted on accrual basis except claims, being uncertainty in realization, are accounted for as and when realized/ settled.

l) Borrowing costs:

Borrowing cost are recognised as expenses in the period in which they are incurred except for borrowings for acquisition of qualifying assets which are capitalised upto the date, the asset is ready for its intended use.

m) Provisions:

Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

n) Contingent Liabilities:

Contingent Liabilities are not provided for and disclosed in the notes to accounts in the Annual Statement of Account.

29.2 Notes on Accounts

29.2.1 Exceptional item reported for Rs NIL (Previous year 55) received from a Debtor which was written off in earlier year.

29.2.2 Some of the Trade Receivable, Payable, Borrowing and Loans & Advances are Subject to Confirmation.

29.2.3 In the opinion of the management, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.

29.2.4 Disclosure required by Accounting Standard (AS) 15 (Revised) on "Employee Benefits":

A. Gratuity - Defined Benefit Scheme (based on actuarial valuation):

	(Rs In Lakhs)	
	<u>31/03/2014</u>	<u>31/03/2013</u>
(a) Change in Defined Benefit Obligations:		
Present value of Defined Benefit Obligations at the beginning of the year	93.49	78.12
Current Service Cost	7.89	7.32
Past Service Cost	-	-
Interest Cost	7.48	6.72
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Plan Amendments	-	-
Actuarial Gain/ (Loss)	(1.12)	10.23
Benefits Paid	(5.40)	(8.90)
Present value of Defined Benefit Obligations at year end	<u>102.34</u>	<u>93.49</u>
(b). Change in Fair value of Plan Assets:		
Fair value of Plan Assets at the beginning of the year	54.82	48.40
Expected return on Plan assets	5.01	4.85
Actuarial Gain/ (Loss)	0.39	-
Contributions	11.55	10.47
Benefits Paid	(5.40)	(8.90)
Fair value of Plan Assets at the year end	<u>66.37</u>	<u>54.82</u>
(c). Amount recognised in Balance Sheet:		
Fair value of Plan Assets at the year end	(66.37)	(54.82)
Present value of Defined Benefit Obligations at year end	<u>102.34</u>	<u>93.49</u>
Amount recognised in Balance Sheet at year end	<u>35.97</u>	<u>38.67</u>

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

(Rs In Lakhs)

	As at	
	31/03/2014	31/03/2013
(d). Expenses recognised in Statement of Profit and Loss:		
Current Service Cost	7.89	7.32
Past Service Cost	-	-
Interest Cost	7.48	6.72
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Actuarial Gain/ (Loss)	(1.51)	10.23
Expected return on Plan assets	(5.01)	(4.85)
Expenses recognised in Statement of Profit and Loss during the year	8.84	19.42
(e). Break-Up of the defined benefit obligations		
Funded	(66.37)	(54.82)
Unfunded	35.97	38.67
Total Obligation as at Balance Sheet date	(30.40)	(16.15)
(f). Investments details of Plan Assets:		
Qualifying Insurance Policy	100%	100.00%
(g). Principal Actuarial Assumptions:		
Discount rate based on market yields available on Government bonds	9.15%	8.00%
Expected rate of return on assets	8.75%	9.15%
Service cost increases taking into account inflation, seniority, promotion and other relevant factors.	4.00%	4.00%

(i) Disclosure as required under Para 120(n):

The amounts for the current and previous four periods in respect of gratuity are as follows

	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of defined benefit obligation	102.34	93.49	78.12	62.21	51.35
Fair value of plan assets	66.37	54.82	48.40	46.82	39.87
Surplus / (Deficit) in the plan	(35.97)	(38.67)	(29.72)	(15.39)	(11.48)
Experience adjustments on plan Liabilities Gain / (Loss)	(1.12)	10.23	16.89	8.42	(1.18)
Experience adjustments on plan assets Gain / (Loss)	0.39	-	-	-	-

The estimates of the future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors. Gratuity upto certain amount per employee is covered under an irrevocable Gratuity Fund under the Group Gratuity cum Life Assurance Scheme of the Life

Insurance Corporation of India. The Company has also recognised 37.95/- (Previous Year ` 31.96/-) being contribution to employees' Provident Fund (Defined Contribution Plan)

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

Profit/ (Loss) for the period ₹	328.01	144.35
Weighted average number of shares used in the calculation of EPS:		
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	3.20	1.41

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

(Rs In Lakhs)

29.2.6 Related Party Disclosures:

Year ended
31/03/2014 31/03/2013

Transactions for the year ended 31 st March 2014		Year ended 31 st March 2014	Year ended 31 st March 2013
Mr. Anil Khaitan (Key Management Personal)			
1	Unsecured Loan Taken	14.18	98.00
2	Unsecured Loan Repayment	21.41	95.17
3	Salary and Allowances	28.87	28.34
	Closing Balance Payable		
	Loan	5.40	12.63
	Salary and Allowances	3.14	3.19
Mrs. Sarita Khaitan (Wife of Key Management Personal)			
1	Lease rent paid	23.60	10.29
2	Building Maintenance	-	12.22
3	Salary & Allowance	27.18	27.58
	Closing Balance Payable	0.74	0.84
Mr. Ishan Khaitan (Son of Key Management Personal)			
1	Salary & Allowance	27.79	20.39
2	Closing Balance Payable	1.49	0.9
Mr. Kahaan Khaitan (Son of Key Management Personal)			
1	Salary	5.60	6.00
	Others	-	2.18
	Closing Balance Payable	0.46	-
Mrs. Anchal Khaitan (Daughter -in- law of Key Management Personal)			
1	Salary & Allowance	5.44	-
2	Closing Balance Payable	0.34	-
	Total	165.64	317.73

29.2.7 Segment Informations

a Company's business activity falls within a single primary business segment viz EHG Capsule Shells

b Segment Reporting (by Geographical demarcation):

(a). The segment is based on geographical demarcation i.e. India and Rest of the World.

(b). The Company's revenue from external customers and information about its assets and others by geographical location are follows:

	31/03/2014			31/03/2013		
	India	Rest of World	Total	India	Rest of World	Total
Operating Revenue (Net)	2,986.39	3,179.58	6,165.97	2,240.55	2,372.79	4,613.34
Debtors as at the year end	909.47	780.27	1,689.74	784.77	623.08	1,407.85

The Company has common fixed assets in India for providing goods for domestic as well as overseas market.

29.2.8

A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):

SUNIL HEALTHCARE LIMITED
Notes to the Financial Statements

(Rs In Lakhs)

	31/03/2014	31/03/2013
Raw Materials	912.20	974.57
Stores and Spares	11.35	44.77
Capital Goods	24.09	434.38
Traded Goods	206.78	-

F. Expenditure in foreign currency during the year:

Travelling Expenditure	35.94	12.82
Commission on Sales	35.03	4.94
Others	9.71	10.42

F. Value of Raw Materials, Coal and Fuel and Stores and Spares consumed during the year ended:

	Value (in Lakhs)		Percentage (%)	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Raw Materials:				
Imported	902.80	956.47	47.02%	62.13%
Indigenous	1,017.24	582.90	52.98%	37.87%
	1,920.04	1,539.37	100%	100%
Stores and Spares:(Included debited to other heads)				
Imported	12.87	2.24	8.65%	2.17%
Indigenous	135.94	101.17	91.35%	97.83%
	148.81	103.41	100%	100%

E. Earnings in Foreign Exchange:

Export of Goods on F.O.B. basis	2,920.58	2,204.02
Other Income	20.82	23.80

29.2.8 a) Foreign currency exposure that are not hedged by derivative instruments or otherwise-

	As at 31.03.2014		As at 31.03.2013	
	In USD	In Equivalents	In USD	In equivalents
Receivable	12.94	777.90	11.46	623.08
Payables	7.57	455.06	10.64	578.92
	In GBP	In equivalents	In Euro	In equivalent
Receivable	0.02	2.37	-	-

29.2.8 b) The company has no outstanding derivative instrument as at Balance Sheet date.

29.2.9 The previous year figure has been reclassified /regrouped to conform current year figures.

As per our Report of even date Annexed For SINGHI & CO. Chartered Accountants Firm Reg. No. 302049E Sd/- (B K SIPANI) PARTNER M. No. 88926 New Delhi The 24 th May, 2014	FOR AND ON BEHALF OF BOARD OF DIRECTORS Chairman cum Managing Director Directors Chief Financial Officer AGM-Legal cum Company Secretary	Mr. Anil Khaitan Mr. Joginder Singh IPS (Retd.) Mr. RK Niyogi IPS (Retd.) Mr. S N Balsubramanian Mr. Sanjay Kumar Kaushik Mr. R C Khurana Mr. B.P. Srinivasan Mr. Pawan Rathi Mr. Virendra Garg
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