



Date: 24/08/2017

To,
The Manager,
The Bombay Stock Exchange Ltd.
Dept. of Corporate Service,
PJ Tower, Dalal Street,
Mumbai-40001

Scrip code: 537253 (BSE)

Subject: Investor Release for Q1 of FY 2017-18

Dear Sir/Madam,

With reference to the above mentioned subject, Please find enclosed the Investor Release for Q1 FY 2017-18 of the Company for your reference and record.

Thanking you,

For Sunil Healthcare Ltd.,

A handwritten signature in black ink, appearing to read "Pawan Rath", written over a horizontal line.

Pawan Rath

CFO

CC: Calcutta Stock Exchange Ltd.,
7, Lyons Range
Kolkatta-700001

Sunil Healthcare Limited

Vijay Tower, 38E/252 - A, Shahpur Jat, Panchsheel Park Commercial Complex, New Delhi-110049
T: +91 11 49435555/00 F: +91 11 43850087 e-mail: info@sunilhealthcare.com Web.: www.sunilhealthcare.com
CIN-No. L24302DL1973PLC189662

Investor Release

Sunil Healthcare Ltd. Financial Performance in Q1FY18

- **EBITDA up by 3.4%**
- **EBITDA margin up by 150bps**
- **PAT margin up by 10bps**
- **Cash PAT up by 3.0%**
- **Cash PAT margin up by 70bps**

August 23, 2017, New Delhi - Sunil Healthcare Ltd, a leading manufacturer of Empty Hard Gelatin Capsules, has announced its Unaudited Financial Results for the Quarter ended 30th June 2017. The Financial Results has been prepared as per Ind-AS.

Key Standalone Financial Highlights are as follows:

Rs. In Millions	Q1FY18	Q1FY17	YoY %
Net Revenue	203.4	211.4	-3.8%
EBITDA	42.7	41.3	3.4%
EBITDA Margin	21.0%	19.5%	+150bps
PAT	12.6	13.0	-3.1%
PAT Margin	6.2%	6.1%	+10bps
Cash PAT	24.1	23.4	3.0%
Cash PAT Margin	11.8%	11.1%	+70bps

- In Q1FY18, the Company’s Net Revenue decreased by 3.8% YoY to Rs. 203.4 Mn mainly due to price erosion because of severe market conditions coupled with pricing pressures faced due to GST de-stocking seen towards the end of the quarter.
- Cost Control, improving efficiencies & Economies of scale have helped us to deliver better EBITDA and Cash PAT margins
- Despite tough market conditions we continue to deliver robust performance showcasing strength in our business

Commenting on the Standalone Results, Mr. D. Gnanasekaran (CEO) said, “We are pleased to report a good start to FY 18 with our Company registering a 3.4% growth in EBIDTA, along with EBIDTA margin expansion of 150bps and Cash PAT increase by 3.0%. We are navigating through a period of challenging market conditions, in light of which we feel our performance is noteworthy. Through rigorous focus on execution, we have been able to consistently deliver superior performance and stay ahead of our competition. Our Continued association with existing clients, acquisition of new clients and focus on new geographies has helped us grow and maintain our volumes and diversify our customer base. Our relentless efforts and continued focus has helped us become a name to be reckoned with in the Domestic & Global Capsules market. Going ahead we are confident to continue our growth momentum and are optimistic to scale new highs with increase in our installed capacity and improved efficiencies.”

The Capsules Division Standalone performance is as follows –

Rs. In Millions	Q1FY18	Q1FY17	YoY %
Net Revenue	203.4	211.4	-3.8%
EBITDA	43.6	42.3	3.1%
EBITDA Margin	21.5%	20.0%	+150bps
PAT	13.2	13.7	-3.6%
PAT Margin	6.5%	6.5%	-
Cash PAT	24.7	24.1	2.5%
Cash PAT Margin	12.1%	11.4%	+70bps

We are pleased to report that we have maintained our Volumes on a YoY basis despite the prolonged turbulence faced by our Industry and the onset of GST.

Further our EBIDTA margins have shown improvement despite a sharp sales price erosion and steep increase in power costs on a YoY basis.

This is testimony of our sustained Sales effort aided by improved efficiencies which have been enablers towards achieving this.

Road Ahead for Us:

Our expansion plans continue to be on track and we target to reach an installed capacity of 13.00 – 13.50 billion capsules/annum and expect to commercialise it by 3rd Quarter of FY18. This expansion will further strengthen our position in the industry and will make us equipped to take advantage of the turning tide when the industry sentiments turn positive.

As a result of our policy of focusing on new geographies and market segments in order to diversify our customer base, we set up two International subsidiaries in USA & in Mexico. We have sampled with a number of customers at both subsidiaries and have received favourable responses from them. With the next step being commencing of sales, we remain optimistic with the prospects of these subsidiaries in FY18.

On the domestic front, with the implementation of GST, we see a gradual pickup in demand. However the rates imposed on our product are now in the highest slab of 28%, which is a matter of concern since it entails blockage of working capital. This matter is being represented by our Industry with the concerned Government authorities for a favourable outcome. We anticipate the full impact of GST to play out in Q2, since normalization of demand is playing out slower than anticipated. But, we believe this to be a temporary phenomenon and expect demand to normalise soon.

We believe we are well positioned to capitalize on opportunities in the industry and will be able to increase our market share progressively.

About Sunil Healthcare Ltd

Sunil Healthcare Ltd, is the second largest manufacturer of Empty Hard Gelatin Capsules in India. A GoI recognized Star Export House, ~50% of revenues are from exports. With four decades of experience, and a strong brand equity “Sunloc”, the company is a preferred vendor for large pharmaceutical companies.

The company was the pioneer of Double lock and Triple lock technology in India. With a strong focus on R &D, the company is constantly innovating its product line to cater to the industry requirements. For more information, please visit the company website www.sunilhealthcare.com

Safe Harbor Statement

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

For further details please contact:

Company:	Investor Relations Advisors:
Sunil Healthcare Limited CIN: L24302DL1973PLC189662	Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285
Mr. Pawan Rathi, Chief Financial Officer Email: cfo@sunilhealthcare.com	Mr. Shogun Jain / Mr. Pratik Shah Contact Numbers: +91 77383 77756 / +91 97692 60769 Email: shogun.jain@sgapl.net / pratik.shah@sgapl.net