

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

**NOTICE**

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of the Company will be held at 11.30 A.M on Saturday the 20<sup>th</sup> July, 2013 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 receive and adopt the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2013 and report of the Auditors and Directors thereon.
2. To elect a Director in place of Mr. S N Balasubranaiman who retires by rotation and being eligible offers himself for re-election.
3. 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:  
"RESOLVED THAT M/s Singhi & Co., Chartered Accountants, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board."

**Special Business**

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

"RESOLVED that pursuant to the section 314 (1) (b) and other applicable provisions, if any of the Companies Act, 1956, read with the Directors relatives (office or place of profit) rules 2003 and also subject to such terms, conditions, alterations, modifications, changes and variation as may be specified while according such approval for which the Board of Directors of the company (hereinafter referred to as the "Board"), be and is hereby authorized to accept, if it thinks fit, the consent of the Company be and is hereby accorded to pay of ₹ 1,22,000/- plus perquisites as applicable in his E-1 grade as per the rules of the Company as a monthly remuneration to Mr. Ishan 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 a President (Operation & Marketing) 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 01.04.2013 on the terms and condition as are stipulated in the letter of appointment of him."

"FURTHER RESOLVED THAT the allowance and perquisites referred to above be and are hereby authorised to be paid and allowed to Mr. Ishan 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, 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."

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

"RESOLVED that pursuant to the provisions of Schedule XIII of the Companies Act, 1956 and pursuant to the section 198, 309 and 310 and other applicable provisions of the Companies Act, 1956 and approval of the Company be and is hereby accorded for the remuneration up to ₹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 according to sub clause (B) of the Clause 1 of the part II of Schedule XIII of the Companies

Act-1956 be paid starting from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March 2014 to Mr. Anil Khaitan, CMD as per following terms and conditions:-

Remuneration shall be for the period from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014

**1. Emoluments:**

Salary: ₹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 60% (sixty percent) of his salary over and above 10% (ten percent) payable by him.

**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 ₹ 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.

**"RESOLVED FURTHER THAT** Mr. Virendra Garg, 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."

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

**"RESOLVED that** Mr. R C Khurana who was appointed as an additional director of the company on 09.02.2013 by the Board of Directors and whose term of office expires at this Annual General Meeting and in respect to whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company liable to retire by rotation."

**"RESOLVED FURTHER** that Mr. Virendra Garg, 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."

**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 section 314 (1) and other applicable provisions, if any of the Companies Act, 1956, read with the Directors relatives (office or place of profit) rules 2003 and also subject to such terms, conditions, alterations, modifications, changes and variation as may be specified while according such approval for which the Board of Directors of the company (hereinafter referred to as the "Board"), be and is hereby authorized to accept, if it thinks fit, the consent of the Company be and is hereby accorded to appoint Mrs. Aanchal Khaitan wife of Mr. Ishan khaitan President (Operation & Marketing ) and as per section 6 of the Companies Act-1956 repetitive of CMD of the Company to hold and continue to hold office or place of profit under the company as a Manager-Business Development and to pay of ₹23,875/- plus perquisites as applicable in his C-1 grade as per the rules of the Company as a monthly remuneration including all the other facilities applicable to the other employee occupying similar post or posts within the same salary and grade, or subject to such terms and conditions as are stipulated in the letter of appointment issued to her or with such other designation as directors may from time to time decide with effect from 01.04.2013 or such other date as may be permitted under the approval of the shareholders of the Company."

**"FURTHER RESOLVED THAT** the allowance and perquisites referred to above be and are hereby authorised to be paid and allowed to Mrs. Aanchal 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 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."

**8 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 314 (1) and other applicable provisions, if any of the Companies Act, 1956, read with the Directors relatives (office or place of profit) rules 2003 and also subject to such terms, conditions, alterations, modifications, changes and variation as may be specified while according such approval for which the Board of Directors of the company (hereinafter referred to as the "Board"), be and is hereby authorized to accept, if it thinks fit, the consent of the Company be and is hereby accorded to appoint Mr. Kahaan Khaitan Son of Mr. Anil Khaitan Chairman cum Managing Director to hold and continue to hold office or place of profit under the company as a Manager-Business Process and to pay of ₹23,875/- plus perquisites as applicable in his C-1 grade as per the rules of the Company as a monthly remuneration including all the other facilities applicable to the other employee occupying similar post or posts within the same salary and grade, or subject to such terms and conditions as are stipulated in the letter of appointment issued to her or with such other designation as directors may from time to time decide with effect from 01.05.2013 or such other date as may be permitted under the approval of the shareholders of the Company."

**"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 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.”

**By the Order of the Board**

**Place – New Delhi  
Dated- 11<sup>th</sup> May, 2013**

**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. The Register of Members and Share Transfer Books of the Company will remain closed from 14<sup>th</sup> July, 2013 to 20<sup>th</sup> July, 2013 (both days inclusive).
4. Explanatory statements pursuant to the provisions of section 173(2) of the Companies Act 1956 are given in the annexure attached hereto.
5. 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.
6. Members holding shares in physical form are requested to furnish their email id by post or by email to [virendra.garg@sunilhealthcare.com](mailto:virendra.garg@sunilhealthcare.com) / [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) along with their folio no. for sending necessary communication / information in future. The members holding shares in electronic form may get their email id's updated with their respective Depository Participants.
7. 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 2004-05 to the **Investor Education & Protection fund (The IEPF)** established by the Central Government . Dividend for the financial year ended March, 31, 2006 and thereafter which remains unpaid or unclaimed for a period of 7 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 2.** 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.**

**Annexure to the Notice**

**Explanatory statement pursuant to the Section 173(2) of the Companies Act, 1956**

**Item No.4**

Mr. Ishan Khaitan son of Mr. Anil Khaitan, Chairman Cum Managing Director of the Company was appointed in the company as on 29.06.2010 with the approval of the Shareholders of the Company and further approval from the Central Government of the Company as a President (Operation & Marketing). Looking to his international networking, international exposure, talent, skills, hard work

and dedication towards the Company and wide experience in marketing and technical field, the management of the company has decided to increase in the remuneration from ₹ 89650/- to ₹1,22,000/- plus perquisites as applicable in the E-1 grade as per the rules of the Company as a monthly remuneration.

The Board of Director of the Company in their meeting held on 11.05.2013 decided to hold and continue to hold office or place of profit under the Company as a President (Operation & Marketing) at a monthly remuneration of ₹ 1,22,000/- per month together with the other facilities applicable to the other employee occupying similar post or posts within the same salary and grade or as per the law and rules of the Company and subject to such terms and conditions as are stipulated in the letter of appointment of him or with such other designation as directors may from time to time decide .

He is son of Mr. Anil Khaitan, Chairman cum Managing Director of the Company and therefore approval of the members under section 314 (1) (b) of the Companies Act-1956 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.

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

**Item No.5**

Mr. Virendra Garg, 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 from 1<sup>st</sup>August, 2012 in the Annual General Meeting held on 16<sup>th</sup> July, 2012 and decided to continue to pay a sum of ₹ 1,19,175/- as a monthly remuneration plus perquisites as applicable as per the rules of the Company to him with effect from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 subject to approval of shareholders of company. The remuneration is subject to annual review.

Mr. Virendra Garg, Secretary of the Company propose to the remuneration committee that company has decided to continue to pay a sum of ₹ 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 1<sup>st</sup> April, 2013 subject to approval of shareholders of company.

The Board Members after discussing all the provisions of the Companies Act, 1956, proposed that the Company may continue to pay remuneration as per the Schedule -XIII of Companies Act, 1956 and recommended that the Company should pay the above remuneration to him for the period starting from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 subject to the approval of the shareholders of the Company.

Approval of the members is sought at this Annual General Meeting for the re-appointment and payment of remuneration to Mr. Anil Khaitan as set out in the text of the resolution.

**Information pursuant to Clause-A of Part -II of Schedule XIII**

**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	(₹ in Lacs)		
	For Year 2010-11	For Year 2011-12	For Year 2012-13
Net Sales	3761.82	4283.57	4565.85
Profit before Tax (After exceptional items)	173.97	328.09	219.64
EPS (after exceptional items) (In ₹)	1.37	2.24	1.41
Export Sales (FOB)	849.97	1524.20	2227.82

During the year 2012-13 Exports of the Company is higher as compared to the year 2011-12. 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. Ramesh Chander Khurana was appointed as an additional director of the Company on 09.02.2013 by the Board of Directors of the Company. Accordingly to the provisions of the Section 260 of the Companies Act, 1956, he hold office as director only upto the date of ensuing annual general meeting. As required by the Section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose appointment of Mr. Ramesh Chander Khurana as a director liable to retire by rotation along with a deposit of ₹ 500/-. The Board considered it desirable that the Company should continue to avail itself of his services.

Mr. Ramesh Chander Khurana has more than 40 years' experience in banking sector. He does not hold any Equity Shares in the Company. He does not hold any directorship in any other Company. He is also not disqualified from being appointed as director under Section 274 (1) (g) of the Companies Act, 1956 and has complied with the requirement of obtaining the Director Identification Number in term of section 266A of the Companies Act. The company has received the requisite Form DD-A from Mr. Ramesh Chander Khurana in terms of Companies (Disqualification of Directors under section 274 (1) (g) of the Companies Act, 1956) Rules, 2003 confirming his eligibility for such appointment.

Except Mr. Ramesh Chander Khurana no other directors are concerned or interested in the proposed resolution.

**Item No.7**

The Board of Director of the Company in their meeting held on 11.05.2013 decided to appoint Mrs. Aanchal Khaitan W/o Mr. Ishan Khaitan President (Operation & Marketing ) to hold and continue to hold office or place of profit under the Company as a Manager Business Development of ₹23875/- plus perquisites as applicable in the C-1 grade as per the rules of the Company as a monthly remuneration together with the other facilities applicable to the other employee occupying similar post or posts within the same salary and grade or as per the law and rules of the Company and subject to such terms and conditions as are stipulated in the letter of appointment issued to her or with such other designation as directors may from time to time decide .

Mrs. Aanchal khaitan is B-Tech in Electronic & Tele Communication. She has also done MBA- Global Management. She is relative of Mr. Anil Khaitan, Chairman cum Managing Director of the Company as per section 6 of the Companies Act-1956 and therefore approval of the members under section 314 (1) of the Companies Act-1956 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 Mrs. Aanchal Khaitan.

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

**Item No.8**

The Board of Director of the Company in their meeting held on 11.05.2013 decided to appoint 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 a Manager Business Process of the Company of ₹23875/- plus perquisites as applicable in the C-1 grade as per the rules of the Company as a monthly remuneration together with the other facilities applicable to the other employee occupying similar post or posts within the same salary and grade or as per the law and rules of the Company and subject to such terms and conditions as are stipulated in the letter of appointment issued to her or with such other designation as directors may from time to time decide .

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 6 of the Companies Act-1956 and therefore approval of the members under section 314 (1) of the Companies Act-1956 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 directors are concerned or interested in the proposed resolution.

**By the Order of the Board**

**Place – New Delhi  
Dated- 11<sup>th</sup> May, 2013**

**Anil Khaitan  
Chairman cum Managing Director**

**ANNEXURE: 1**

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTOR BEING PROPOSED TO BE APPOINTED / RE-APPOINTED**

<b>Name of Director</b>	<b>Date of Birth &amp; No. of share Held</b>	<b>Qualification</b>	<b>Nature of Experience</b>	<b>Directorship in other companies</b>	<b>Committee Chairmanship / Membership</b>
Mr. S N Balsubramanian	09/05/1933 Nil	B.Com. & FICWA	more than 26 years' experience in various industries as a senior position and about 30 years as a consultants	Nil	Member of Audit Committee of the Company
Mr. R C Khurana	05/10/1952 Nil	B.Sc., LL.B	more than 40 years of vast experience in banking sector	Nil	Chairman of the Audit Committee after 09.02.2013

**ANNEXURE: 2**

**Information in respect of unclaimed and unpaid dividends declared for year 2005-06 and thereafter:**

<b>S.N.</b>	<b>Financial Year</b>	<b>Date of Declaration of the Dividend</b>	<b>Last date for the Claming of Unpaid Dividend</b>
1	31.03.2006	29.09.2006	28.09.2013
2	31.03.2007	26.09.2007	25.09.2014
3	31.03.2008	25.09.2008	24.09.2015
4	31.03.2009	29.09.2009	28.09.2016

**By the Order of the Board**

**Place – New Delhi  
Dated- 11<sup>th</sup> May, 2013**

**Anil Khaitan  
Chairman cum Managing Director**

**SUNIL HEALTHCARE LIMITED****DIRECTORS' REPORT****TO THE MEMBERS:**

Your Directors have great pleasure in presenting the 38<sup>th</sup> Annual Report on the business and operations together with the audited statement of accounts of your Company for the year ended 31<sup>st</sup> March 2013.

**Financial Results****(₹ in Lakhs)**

	<b>2012-13</b>	<b>2011-12</b>
Profit before depreciation and Finance Cost	861.19	844.51
Finance Cost	260.18	195.32
Depreciation	382.09	321.10
Profit before tax	<b>219.64</b>	<b>328.09</b>
<b>Less: -</b> Provision for Taxation		
For Current Year	(52.00)	(146.75)
For Deferred Tax	(23.29)	35.53
Profit after Tax	<b>144.35</b>	<b>216.87</b>

**Operations:**

During 2012-13 the production of Hard Gelatin Capsule Shells was 6114 Million against 6150 Million in the previous year. The Gross Sales value is ₹ 4882 lacs against ₹ 4621 lacs in the previous year. Profit before tax during the year was ₹ 219.64 lacs against ₹ 328.09 lacs in the previous 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.

**Expansion Project:**

Directors of the Company are pleased to inform the Shareholders of the Company that your company has installed and commissioned two new Capsule Making Machines during the year. As a result of this expansion the installed capacity of the Company has increased from 7000 million Capsules to 7700 million Capsules per Annum.

**Directors:**

Mr. S N Balsubramanian, Director of the Company retires by rotation at the ensuing Annual General Meeting, being eligible, offer himself for re-appointment.

**Public Deposit**

The Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956.

**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 31.03.2013

**Auditors & Auditor's Report:**

M/s Singhi & Co, Chartered Accountants, 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.

The Statutory Auditors of the Company have submitted Auditor's Report on the accounts of the Company for the period ended 31<sup>st</sup> March 2013, which is self-explanatory.

**Cost Auditor**

The Board of Directors of your Company has recommended Ms. J. Sandhya Murthy, Cost Accountants, Delhi to be appointed as a Cost Auditors for the Financial Year-2013-14, subject to approval of the Central Government under section 233B of the Companies Act, 1956.



### **Demating the Physical Shares**

The Shares of our Company are presently listed at Delhi Stock Exchange, Jaipur Stock Exchange & Calcutta Stock Exchange, with the intent to provide better liquidity to our valued shareholders, the Board of Directors of the Company has made an Application to Bombay Stock Exchange (BSE) for Direct Listing of the Company. By virtue of the proposed listing at BSE, the Shareholders of the Company will get the trading platform and will enable them to liquefy their investments.

Once the Listing Application of the Company is approved and trading starts at BSE, it shall be possible 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. 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

### **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 31<sup>st</sup> March 2013; 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 he 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.

**By the Order of the Board**

**Place – New Delhi**

**Dated- 11<sup>th</sup> May, 2013**

**Anil Khaitan**

**Chairman cum Managing Director**

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:-

<b>A</b>	<b>Power &amp; Fuel Consumption</b>	<b>Unit</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Electricity</b>			
(a)	Purchased			
-	Units	Kwh	8322770	7983765
-	Total Amount	₹	49868894	40612024
-	Rate Per Unit	₹	5.99	5.09
(b)	Own generation through DG sets			
-	Units	Kwh	505563	518504
-	Unit per Ltr of Diesel	Kwh	3.21	3.36
-	Cost per unit(Direct Cost)	₹	11.84	10.65
<b>B</b>	<b>Consumption per unit of production</b>			
	Product	Hard Gelatine Capsule Shells		
	Electricity	Kwh per Million Capsules	1438	1312

**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) Tota                                                  |                                                                          |
| 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. |
| I) Technology imported                                                                                                      | Not Applicable                                                                   |
| II) Year of Import                                                                                                          | Not Applicable                                                                   |
| III) Has the Technology fully been absorbed?                                                                                | Not Applicable                                                                   |
| IV) If not fully absorbed area where this has not taken place, reasons thereof and future plan of action.                   | Not Applicable                                                                   |

**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**

		<b>2012-13</b>	<b>2011-12</b>
(a) Used	₹ in Lacs	1481.90	615.34
(b) Earned	₹ in Lacs	2227.82	1524.20

## **SUNIL HEALTHCARE LIMITED**

### **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.”**

The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high, in terms of technology, quality and range of medicines manufactured. From simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made indigenously.

Playing a key role in promoting and sustaining development in the vital field of medicines, Indian Pharma Industry boasts of quality producers and many units approved by regulatory authorities in USA and UK. International companies associated with this sector have stimulated, assisted and spearheaded this dynamic development in the past 56 years and helped to put India on the pharmaceutical map of the world.

Being associated pharmaceuticals companies, which are growing at good pace, the company foresees a good growth in the demand of Hard Gelatin Capsules Shell in the Indian market.

The Indian Capsules are competitive in International Market and their acceptability is increasing. Even developed markets which are quite conservative in accepting pharma products from developing countries are opening up, which is offering us good opportunities in export market.

#### **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 thereto.

## 7. INTERNAL CONTROL SYSTEM AND ADEQUACY:

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	2012 -13	2011 -12	% Change
Total Production (Capsules In Millions)	6114	6150	-0.59
Total Sales (Capsules In Millions)	5981	6354	-5.87
Net Revenue from Operations (In Lacs)	4613	4343	6.22
Profit before Interest, Dep. & Tax (In Lac)	862	816	5.60
Finance Cost	260	195	33.33
Depreciation	382	321	19.00
Profit before Tax (IN lacs)	220	328	-32.93
Profit After Tax	144	217	-33.64
Earnings per share (In Rs.)	1.41	2.24	-37.05

### (i) Sales

There was increase in the sales value in the current year by 6.22%.

### (ii) Profit before interest, Depreciation and Tax

PBIDT increased by 5.60 % for the year when compared to the last year.

### (iii) Finance Cost

There was increase by 33.33% in the finance cost during the year mainly on account of interest paid on Term Loan.

### (iv) Net Profit

The net profit has decreased from ₹ 217 lacs in 2011-12 to ₹ 144 lacs in 2012-13.

#### **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:

- a. Comprehensive and user friendly Performance Management System has been implemented to create a result oriented culture.
- b. 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, WHO-GMP, Food Safety Management System ISO 22000:2005 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](http://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 trading of food items.

- **Geographical Concentration of business.**

Last year Exports accounts for about 52.70% of the Company's revenues and during current fiscal the Company is expecting to increase its exports to 51.35%. 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 51.35% 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**

- **Investments in core competence**

The Company has made substantial investments in new two Capsule Manufacturing Machines in the last year and upgrading their manufacturing facility further. Due to this expansion for early phase due to high interest cost returns may be lower, but in the long run returns would improve and help to meet the Competition and increase our market share. The Company has embarked on its second phase of expansion to encash on our core competence.

- **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.

**REPORT ON CORPORATE GOVERNANCE:**

In compliance with Corporate Governance requirements as prescribed by SEBI and inculcated in Clause 49 of the Listing Agreement with Stock Exchange's, the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2013 is set out below for information to stakeholders and investors of the Company.

The Management of the Company believes that the great companies are built on the foundation of good governance practices. Corporate governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory authorities and the community at large. It strongly believes that this relationship can be built & strengthened through corporate fairness, transparency and accountability.

**(A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy of Corporate Governance is to ensure transparency in all dealing and maintain highest standard of professionalism, integrity, accountability, social responsibility, fairness, and business ethics. We consider ourselves as trustees of our shareholders and relentlessly attempt to maximize long-term shareholder value.

Your Directors confirm the practice of good Corporate Governance codes by the Company in true spirit and are pleased to present below the report on it.

**(B) 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 have 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 7 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 31<sup>st</sup> March 2013 is as follows:

S. N.	Name of the Director	Category	Other Boards Particulars			
			Director Ships (A)	Chairman Ship (B)	Committee (s) (C) ( Including SHL)	
					Chairman ship	Memb ership
1	Mr. Anil Khaitan	Executive	1*	-	1	-
2	Mr.S.N.Balasubramanian	Independent / Non-Executive	--	-	1	-
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:**

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

\*Mr. Anil Khaitan has resigned from the Shalimar Industries Limited as on 15.06.2012 and from Satmaco Mercandise Private Limited as on 08.02.2013.

- (b) The Board of Directors of the Company meet 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 5 meetings during the financial year 2012-13 on 28.05.2012, 04.08.2012, 10.11.2012, 09.02.2013 and 30.03.2013

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

- (c) The Company places before the Board, all relevant and necessary information for seeking the necessary approvals and directions on the operation and plans of the Company.
- (d) 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.
  - 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.
- (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 u/s 257 of the Companies Act, 1956, is appended to the notice convening the 39<sup>th</sup> 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.

**(C) BOARD COMMITTEES**

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

- Audit Committee.
- Selection & Remuneration Committee
- Shareholders & Investor Grievance 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 292A of the Companies Act, 1956.

**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 C Khurana, Mr. S. N. Balasubramanian, Mr. Sanjay Kumar Kaushik and Mr. Rajat Kumar Niyogi IPS (Retd.). Mr. S. N. Balasubramanian was the Chairman of the Audit Committee and after

09.02.2013 Mr. R C Khurana was nominated as Chairman of the Audit Committee. All the members of the committee possess good knowledge of finance, accounts and basic elements of Company Law.

**The Role of Audit Committee include the following:-**

- a) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending the appointment and removal of external auditors, fixation of audit fees and approval for payment of any other services;
- c) Reviewing with management the annual financial statement before submission to the Board, 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.
  - 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) 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 2012-13 on 28.05.2012, 04.08.2012, 10.11.2012 and 09.02.2013.

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 C Khurana	Non-executive /Independent	4	0	No
2	Mr. S N Balsubramanian	Non-executive /Independent	4	4	Yes
3	Mr. Sanjay Kumar Kaushik	Non-executive /Independent	4	3	No
4	Mr. Rajat Kumar Niyogi IPS (Retd.)	Non-executive /Independent	4	4	No.

**Note:-**

Mr. R C Khurana was appointed as a chairman of the Audit Committee on 09.02.2013 in the board meeting and he has not attended any Audit Committee Meeting during the FY 2012-13. So there has been one change in the composition of Audit Committee since the last Annual general Meeting of the Company as stated above.

**(II) Selection & Remuneration Committee****Constitution**

The Selection & 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 Selection & 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 2012-13 only one meeting of Committee was held on 28.05.2012 on the following matters:-

1. Re-appointment and 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. Renewal cum Enhancement in the remuneration payable to Mr. Kahaan Khaitan

**Remuneration Policy.**

Mr. Anil Khaitan, Chairman Cum Managing Director is being paid minimum remuneration as stipulated in Part II of the Schedule XIII of the Companies Act, 1956 w.e.f 8<sup>th</sup> January 2004 and other non-executive directors are paid sitting fees @ Rs. 7000/- after 28<sup>th</sup> May, 2011 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 31<sup>st</sup> March 2013 are given below:-

S.No	Name	Salary	Perquisites & Allowances	Sitting Fees	Total
1	Mr. Anil Khaitan	1601712	1232888	---	2834600
2	Mr. Joginder Singh IPS (Retd.)	-	-	42000	42000
3	Mr. Sanjay Kumar Kaushik	-	-	56000	56000
4	Mr. S.N. Balasubramanian	-	-	56000	56000
5	Mr. Rajat Kumar Niyogi (IPS Retd)	-	-	70000	70000
6	Mr. B. P. Srinivasan	-	-	28000	28000
7	Mr. R C Khurana	-	-	14000	14000

### (III) 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 'Shareholders/investors Grievance Committee'

Board vide resolution dated 23<sup>rd</sup> 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 2012-13 on 30.04.2012, 15.05.2012, 15.06.2012, 30.06.2012, 31.07.2012, 16.08.2012, 31.08.2012, 15.09.2012, 28.09.2012, 10.10.2012, 31.10.2012, 11.12.2012, 20.12.2012, 31.01.2013 and 11.02.2013

During the financial year seven 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 2012-13	Pending at the end of the year	No of Pending Share Transfers
1	7	Nil	Nil

### (D) 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
38 <sup>th</sup> AGM held for the FY 2011-12	38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049	Monday, 16 <sup>th</sup> July, 2012	Yes (2)
37 <sup>th</sup> AGM held for the FY 2010-11	38E/252-A, First Floor, Vijay Tower, Shahpurjat, New Delhi-110049	Friday, 16 <sup>th</sup> September, 2011	Yes (4)
36 <sup>th</sup> AGM held for the FY 2009-10	38E/252-A, First Floor, Vijay Tower, Shahpurjat, New Delhi-110049	Tuesday, 29 <sup>th</sup> June, 2010	Yes (2)

- At the 38<sup>th</sup> annual General Meeting , two special resolution were passed for the following matters:
    - i. For renewal of remuneration of Mr. Ishan Khaitan, President (Operation & Marketing) of the Company.
    - ii. For re-appointment and renewal in the remuneration of Mr. Anil Khaitan as Chairman Cum Managing Director of the Company.
  - At the 37<sup>th</sup> annual General Meeting , four special resolution were passed for the following matters:
    - I. For renewal cum enhancement in the remuneration of Chairman cum Managing Director of the Company.
    - II. For renewal cum enhancement in the remuneration of Mr. Ishan Khaitan, President (Operation & Marketing) of the Company.
    - III. For remuneration to Mrs. Sarita Khaitan, Chief Strategic Officer of the Company.
    - IV. To increased the authorised share capital of the company.
  - At the 36<sup>th</sup> annual General Meeting , two special resolution were passed for the following matters:
    - i. For renewal cum enhancement in the remuneration of Chairman cum Managing Director of the Company
    - ii. For Appointment of Mr. Ishan Khaitan , President ( Operation & Marketing) of the Company
2. No Extra Ordinary General Meeting of the Company (EGMs) was held during the year

**(E) Disclosures**

- (a) Related Party Transactions have been disclosed under Note no. 29 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.

**(F) 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.

**(G) 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.

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

**(a) Annual General Meeting**

<b>Day, Date and Time</b>	At 11.30 AM on 20th July, 2013
<b>Venue</b>	38E,/252-A, Vijay Tower, Shahpurjat, New Delhi
<b>Agenda</b>	1 Adoption of Audited Accounts, Directors' and Auditors Report 2 Re-appointment of Directors 3 Re-appointment of Auditors 4. Renewal in remuneration of relative of CMD 5 Renewal in remuneration of CMD 6 Renewal in the remuneration of relative of CMD 7. Renewal in remuneration of relative of CMD 8. Appointment of additional director as regular director

**(b) Financial Calendar:- (Tentative)**

Financial Year : 1st April, 2013 to 31st March, 2014  
1st Quarterly Results : 4th week of July, 2013  
2nd Quarterly Results : 4th week of October, 2013  
3rd Quarterly Results : 4th week of January, 2014  
4th Quarterly Results : 4th week of April, 2014

**(c) Book Close Date** : 14th July, 2013 to 20th July, 2013  
(both days inclusive)

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

**(e) Market Price Data:** - There was no trading of the Shares during last financial year.

**(f) There are no outstanding GDR's/ ADR's /Warrants or any Convertible instruments which would have any impact on the Equity.**

**(g) 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

**(h) 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.

**(i) Distribution of Shareholding & shareholding pattern**



**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013**

No. of Shares Range	No. of Shareholders	% of Shareholders	Value of Shares Held	% of Shareholding
1 to 5,00	5683	94.84	615299	6.00
501 to 1,000	161	2.69	118232	1.16
1,001 to 2,000	73	1.22	105912	1.03
2,001 to 3,000	10	0.17	24916	0.24
3,001 to 4,000	11	0.18	37203	0.36
4,001 to 5,000	3	0.05	13703	0.13
5,001 to 10,000	18	0.30	127700	1.25
10,001 to 50,000	14	0.23	337584	3.29
50,001 to 100,000	4	0.07	252720	2.47
50,001 and above	15	0.25	8621481	84.07
<b>Total</b>	<b>5992</b>	<b>100.00</b>	<b>10254750</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2013**

Categories	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoters/ Directors & their relatives including associates Companies and Person acting in concert.	11	0.18	7083255	69.07
Banks/Financial Institutions/ Insurance Companies/Mutual Funds etc.	6	0.10	10476	0.102
NRI's and OCB's	NIL	NIL	NIL	NIL
Other Bodies Corporate	62	1.03	1880002	18.33
Indian Public	5913	98.69	1281017	12.50
<b>Total</b>	<b>5992</b>	<b>100.00</b>	<b>10254750</b>	<b>100.00</b>

**(J) Dematerialization of Shares****ISIN NO. INE 671C01016**

88, 98,719 shares of the Company are being held in Demat form as on 31<sup>st</sup> March 2013 with NSDL /CDSL.

**(k) Compliance officer**

Mr. Virendra Kumar Garg  
Manager Legal cum Company Secretary  
M/s Sunil Healthcare Limited

**(l) Factory Location:-** 17/18 Old Industrial Area, Alwar-301001**(m) 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

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

<b>Name</b>	Mr. S N Balsubramanian	Mr. R C Khurana
<b>Age</b>	80 Years	61 Years
<b>Particulars</b>	B.Com, & FICWA, having more than 26 years' experience in various industries as a senior position and about 30 years as a consultant	B.Sc., LL.B. from Delhi University and more than 40 year of vast experience in banking sector
<b>Name of the Companies in which also holds Directorship</b>	NIL	Nil

**COMPLIANCE CERTIFICATE:**

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To,

**The Members of  
Sunil Healthcare Limited**

We have examined the compliance of conditions of Corporate Governance by M/s. SUNIL HEALTHCARE LIMITED for the year ended 31<sup>st</sup> March 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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 representation made by the directors and the management, we certify the Company has complied, in all material respect, with the conditions of Corporate Governance as stipulated in Clause-49 of the above mention 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 management has conducted the affairs of the Company.

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

**B. K. Sipani  
Partner  
Membership No. 88926**

**Place: New Delhi  
Dated: 11<sup>th</sup> May, 2013**

**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, 2013

**Place: New Delhi  
Date: 11<sup>th</sup> May, 2013**

**Anil Khaitan  
Chairman cum Managing Director**

**SUNIL HEALTHCARE LIMITED**  
**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 31<sup>st</sup> March, 2013 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. 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 to 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 31<sup>st</sup> March, 2013;
- 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 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, 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**  
**Date: 11<sup>th</sup> May, 2013**

**B.K. Sipani**  
**Partner**  
**Membership No.88926**

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#### **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 / granted any loans, secured or unsecured from / 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 Rs 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 thereunder. 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 in respect to the company's products to which said rules are made 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.
- 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, other than the following :

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
The Sales Tax Act,	Sales Tax	29,675	1982-83	DC (A) Alwar

- (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  
Date: 11<sup>th</sup> May, 2013**

**B.K. Sipani  
Partner  
Membership No.88926**

**SUNIL HEALTHCARE LIMITED**  
**BALANCE SHEET**  
**As at 31st March, 2013**

(₹ in Lakhs)

	Notes	As at 31/03/2013	As at 31/03/2012
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1,025.48	1,025.48
Reserves and Surplus	2	960.43	817.47
		<b>1,985.91</b>	<b>1,842.95</b>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	3	432.86	244.08
Deferred Tax Liabilities (Net)	4	245.43	222.13
Long-term Provisions	5	55.19	48.21
		<b>733.48</b>	<b>514.42</b>
<b>Current Liabilities</b>			
Short-term Borrowings	6	1,615.02	1,217.44
Trade Payables	7	571.65	571.45
Other Current Liabilities	8	376.24	370.76
Short-term Provisions	9	52.02	126.58
		<b>2,614.93</b>	<b>2,286.23</b>
<b>TOTAL</b>		<b>5,334.32</b>	<b>4,643.60</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	10	2,745.09	2,253.25
Intangible Assets	10	2.02	2.27
Capital Work-in-Progress		117.85	29.62
Intangible Assets under Development		7.28	5.93
Non-Current Investments		-	-
Long-term Loans and Advances	11	48.11	260.71
		<b>2,920.35</b>	<b>2,551.78</b>
<b>Current Assets</b>			
Current Investments	12	0.06	0.06
Inventories	13	766.55	568.71
Trade Receivables	14	1,407.85	1,231.22
Cash and Bank Balances	15	119.92	130.51
Short-term Loans and Advances	16	74.61	134.40
Other Current Assets	17	44.98	26.92
		<b>2,413.97</b>	<b>2,091.82</b>
<b>TOTAL</b>		<b>5,334.32</b>	<b>4,643.60</b>
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 attached

FOR AND ON BEHALF OF BOARD OF DIRECTORS

For SINGHI & CO.

Chairman Cum Managing Director

Anil Khaitan

Chartered Accountants

Firm Reg. No. 302049E

**Sd/-**  
(B K SIPANI)

Directors

Partner  
M. No. 88926

Joginder Singh (Retd. IPS)  
S N Balasubramanian  
R K Niyogi (Retd. IPS)  
B P Srinivasan  
R C Khurana

New Delhi  
'The 11<sup>th</sup> May, 2013

Chief Financial Officer  
Manager-Legal Cum Company Secretary

PAWAN RATHI  
VIRENDRA GARG

**SUNIL HEALTHCARE LIMITED**  
**STATEMENT OF PROFIT & LOSS**  
For the year ended 31st March 2013

(₹ in Lakhs)

	Note	Year ended 31/03/2013	Year ended 31/03/2012
<b>REVENUES</b>			
Gross Revenue from Operations	19	4,881.83	4,621.44
Less: Excise Duty		268.49	278.73
Net Revenue from Operations		<b>4,613.34</b>	<b>4,342.71</b>
Other Income	20	86.19	85.59
<b>Total Revenues (I)</b>		<b>4,699.53</b>	<b>4,428.30</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade		5.82	13.37
Cost of Materials Consumed	21	1,539.37	1,356.64
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	22	(132.29)	74.14
Employee Benefits Expenses	23	621.80	542.01
Power and Fuel	24	571.57	477.47
Other Expenses	25	1,286.35	1,120.16
<b>Total Expenses (II)</b>		<b>3,892.62</b>	<b>3,583.79</b>
<b>Profit before Finance Cost, Depreciation, Amortisation, Exceptional items and Tax (I)-(II)</b>		806.91	844.51
Finance Costs	26	260.18	195.32
Depreciation and Amortization	27	382.09	321.10
<b>Profit before Tax and Exceptional Items</b>		<b>164.64</b>	<b>328.09</b>
Exceptional Items	29.2.1	55.00	-
<b>Profit before Tax</b>		<b>219.64</b>	<b>328.09</b>
Tax Expenses:	29		
Current Tax		(51.99)	(146.75)
Deferred Tax		(23.30)	35.53
Profit/ (Loss) for the period		<b>144.35</b>	<b>216.87</b>
<b>Earnings per Equity Share:of Rs. 10/-Per share</b>			
Basic	29.2.5	1.41	2.24
Diluted		1.41	2.24
Accounting Policy and Notes on Accounts	29		

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

As per our Report of even date attached FOR AND ON BEHALF OF BOARD OF DIRECTORS  
For SINGHI & CO. Chairman Cum Managing Director Anil Khaitan

Chartered Accountants  
Firm Reg. No. 302049E

**Sd/-**  
(B K SIPANI)  
Partner  
M. No. 88926

Directors

Joginder Singh (Retd. IPS)  
S N Balasubramanian  
R K Niyogi (Retd. IPS)  
B P Srinivasan  
R C Khurana

New Delhi  
The 11<sup>th</sup> May, 2013

Chief Financial Officer  
Manager-Legal Cum Company Secretary

PAWAN RATHI  
VIRENDRA GARG

**SUNIL HEALTHCARE LIMITED**  
**CASH FLOW STATEMENT**  
**For the year ended 31st March 2013**

**A. CASH FLOW FROM OPERATING ACTIVITIES**

	(₹ in Lakhs)	
	Year ended 31/03/2013	Year ended 31/03/2012
Profit before Tax	219.64	328.09
Adjustment for :		
Finance Costs	260.18	195.32
Depreciation and Amortization Expenses	382.09	321.10
Liabilities/ Provisions no longer required written back	(45.86)	(44.48)
Advances and Bad debts written off	0.89	0.76
Authorised Share Capital Increase Expenses	-	0.50
(Profit)/Loss on Sales of Fixed Assets	7.79	0.22
Interest Income	(8.73)	(13.96)
<b>Operating profit before working capital changes</b>	<b>816.00</b>	<b>787.55</b>

Changes in working Capital:

(Increase)/Decrease in Inventories	(197.84)	(76.23)
(Increase)/Decrease in Trade and other Receivables	(184.83)	(325.16)
(Increased)/Decrease Short Term Loan and advances	58.23	(28.64)
Increase /Decrease in Current Liabilities & Provision	85.46	35.95

**Cash generation from Operation**

Payment of Direct Taxes	(153.08)	(52.46)
<b>Net Cash generated/ (used) - Operating Activities</b>	<b>423.94</b>	<b>341.01</b>

**B. CASH FLOW FROM INVESTMENT ACTIVITIES**

Purchase of Fixed Assets	(758.70)	(408.03)
Sale of Fixed Assets	5.87	0.15
Movement in Margin Money	(18.32)	(9.14)
Interest Received	6.90	13.96
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(764.25)</b>	<b>(403.06)</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Repayment of Long-term Borrowings	172.41	(48.76)
Proceeds/ Repayment of Short-term Borrowings (Net)	397.58	317.70
Authorised Share Capital Increase Expenses	-	(0.50)
Finance Cost Paid	(257.55)	(193.77)
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<b>312.44</b>	<b>74.67</b>

**Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)**

Add : Opening Cash and Cash Equivalents	(27.87)	12.62
Closing Cash and Cash Equivalents	66.98	54.36
<b>Components of Cash &amp; Cash equivalents</b>	<b>39.11</b>	<b>66.98</b>

**Components of Cash & Cash equivalents**

Cash in hand	2.79	4.28
<b>Balances with Schedule Banks</b>		
In Current Accounts	36.33	62.70
Unclaimed Dividend Accounts	2.34	3.39
Fixed and Call Deposits Accounts	78.46	60.14
	<b>119.92</b>	<b>130.51</b>

Less: Fixed Deposits considered in Investing Activity & Unclaimed dividend lying with Bank

	80.81	63.53
	<b>39.11</b>	<b>66.98</b>

**Notes:**

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

As per our Report of even date attached	FOR AND ON BEHALF OF BOARD OF DIRECTORS
For SINGHI & CO.	Chairman Cum Managing Director Anil Khaitan
Chartered Accountants	
Firm Reg. No. 302049E	
<b>Sd/-</b>	Joginder Singh (Retd. IPS)
(B K SIPANI)	S N Balasubramanian
Partner	R K Niyogi (Retd. IPS)
M. No. 88926	B P Srinivasan
	R C Khurana
New Delhi	PAWAN RATHI
'The 11 <sup>th</sup> May, 2013	Manager-Legal Cum Company Secretary VIRENDRA GARG



**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

(₹ in Lakhs)

As at  
**31/03/2013**    **31/03/2012**

**1. Share Capital:**

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

**Authorized:**

10800000 (Previous year 10800000) Equity Shares of ₹10 /-each.  
 20000 (Previous year 20000) Redeemable Cumulative  
 Preference Shares of ₹100/- each

1,080.00	1,080.00
20.00	20.00
<b>1,100.00</b>	<b>1,100.00</b>

**Issued:**

10254750 (Previous year 10254750) Equity Shares of ₹10 /-each.

1,025.48	1,025.48
<b>1,025.48</b>	<b>1,025.48</b>

**Subscribed and Paid-up:**

10254750 (Previous year 10254750) Equity Shares of ₹10/- each fully paid-up

1,025.48	1,025.48
<b>1,025.48</b>	<b>1,025.48</b>

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

	2012-13		2011-12	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Equity Shares outstanding at the beginning of the year	10254750	1,025.48	9322500	932.25
Add: Bonus Shares Issued during the year			932250	93.23
Less: Equity Shares bought back/ redeemed during the year		-	-	-
Equity Shares outstanding at the end of the year	<b>10254750</b>	<b>1025.48</b>	<b>10254750</b>	<b>1,025.48</b>

**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 share holders. There is no restriction on distribution of dividends. However same is subject to the approval of the shareholders in the Annual General Meeting.

	2012-13	2011-12	2010-11	2009-10	2008-09	Total
C. Number of Shares issued for consideration other than cash						
Bonus shares	-	932,250	4661250			5,593,500
	<b>-</b>	<b>932,250</b>	<b>4,661,250</b>	<b>-</b>	<b>-</b>	<b>5,593,500</b>

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

Name of shareholder	As at 31/03/2013		As at 31/03/2012	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Mr. Anil Kumarr Khaitan	2394235	23.35%	2394235	23.35%
M/S Magnum Computer Private Limited	1327211	12.94%	1327211	12.94%
M/S Kundan Financial Services Private Limited	531810	5.19%	531810	5.19%

**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

(₹ in Lakhs)

		As at	
		31/03/2013	31/03/2012
2	<b>Reserves and Surplus:</b>		
(i)	<b>Capital Reserve</b>		
	Balance as per last financial statement	15.17	15.17
		<b>15.17</b>	<b>15.17</b>
(ii)	<b>Capital Redemption Reserve</b>		
	Balance as per last financial statement	7.50	7.50
		<b>7.50</b>	<b>7.50</b>
(iii)	<b>Revaluation of Fixed Assets Reserve</b>		
	Balance as per last financial statement	36.39	37.78
	Less: Transfer to Statement of Profit & Loss Account	1.39	1.39
		<b>35.00</b>	<b>36.39</b>
(iv)	<b>General Reserve</b>		
	Balance as per last financial statement	250.40	250.40
		<b>250.40</b>	<b>250.40</b>
(v)	<b>Surplus in Statement of Profit &amp; Loss</b>		
	Balance as per last financial statement	508.01	384.36
	Less: Utilised for issue of fully paid Bonus Shares	-	93.22
		508.01	291.14
	Add: Profit during the year	144.35	216.87
		<b>652.36</b>	<b>508.01</b>
	Total Reserve and Surplus (i to v)	<b>960.43</b>	<b>817.47</b>

3 **Long-term Borrowings**

	Non-Current Portion		Current Maturities	
	As at		As at	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
<b>Secured</b>				
Term Loans From a Bank (a)	335.31	177.15	149.80	198.60
Vehicle Loan from Bank (b)	67.48	47.13	24.03	9.78
Vehicle Loans from others (c)	3.92	-	2.75	4.60
	<b>406.71</b>	<b>224.28</b>	<b>176.58</b>	<b>212.98</b>
<b>Unsecured</b>				
Inter Corporate Deposits (d)	-	10.00	-	-
Loans from Directors (e)	12.63	9.80	-	-
Loan from Others (f)	13.52	-	20.02	-
	26.15	19.80	20.02	-
	<b>432.86</b>	<b>244.08</b>	<b>196.60</b>	<b>212.98</b>

(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			
	As at 31st March 2013	No. of Installments	Periodicity	Rate of Interest	As at 31st March 2012	No. of Installments	Periodicity	Rate of Interest
1					49.65	3	Monthly	16.00%
2					18.84	1	Monthly	16.00%
3	329.00	47	Monthly	15.45%	105.00	15	Monthly	16.00%
4	6.31	1	Monthly	15.45%	3.66	1	Monthly	16.00%
	<b>335.31</b>				<b>177.15</b>			

**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

(b) Vehicle loan from Banks is secured against 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 31st March 2013	No. of Installments	Periodicity	Rate of Interest	As at 31st March 2012	No. of Installments	Periodicity	Rate of Interest
1	36.27	33	Monthly	10.50%	47.13	45	Monthly	10.50%
2	2.96	13	Monthly	11.00%				
3	28.25	24	Monthly	9.75%				
	<b>67.48</b>				<b>47.13</b>			

(c) Vehicle loan from other is secured against 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 31st March 2013	No. of Installments	Periodicity	Rate of Interest	As at 31st March 2012	No. of Installments	Periodicity	Rate of Interest
1	3.92	16	Monthly	6.61%				
	<b>3.92</b>				-			

(d) Interest free Intercompany deposits are repayable NIL ( Previous year ₹ 10 )

(e) Loans from director of ₹9.80 is interest free and is repayable after 5 year.

(f) Loan from others aggregate of ₹ 13.52 payable in 7 equally monthly instalments w.e.f. 3rd March 2013 and carries rate of interest 19% p.a.

	As at	
	31/03/2013	31/03/2012
<b>4 Deferred Tax Liabilities (Net)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation and Amortisation Expenses	278.74	248.07
	<b>278.74</b>	<b>248.07</b>
<b>Deferred Tax Liability (Assets)</b>		
Provision for Employee Benefits Allowable on payment basis	(33.31)	25.94
	(33.31)	25.94
<b>Deferred Tax Liabilities (Net)</b>	<b>245.43</b>	<b>222.13</b>
<b>5 Long-term Provisions</b>		
Employee Benefits	55.19	48.21
	<b>55.19</b>	<b>48.21</b>
<b>6 Short-term Borrowings</b>		
<b>Secured</b>		
Loans repayable on demand		
Cash Credit From Bank (a)	1,173.42	875.67
<b>Unsecured</b>		
Buyer's Credit from a Bank in Foreign Currency	441.60	341.77
	<b>1,615.02</b>	<b>1,217.44</b>

**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.

	(₹ in Lakhs)	
	As at	
	31/03/2013	31/03/2012
<b>7 Trade Payables</b>		
Payable to Micro, Small and Medium Enterprises (a)	-	-
Others	571.65	571.45
	<b>571.65</b>	<b>571.45</b>

- (a) 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 can not be made.

<b>8 Other Current Liabilities</b>		
Current maturities of long-term debt	196.60	212.98
Interest accrued but not due on borrowings	4.19	1.56
Unpaid Dividends	2.34	3.39
Customers' Credit Balances and Advances against orders	37.58	33.78
Capital Liabilities	13.34	7.89
Liabilities for Employees	50.83	61.97
Statutory dues Payables	71.36	49.19
	<b>376.24</b>	<b>370.76</b>
<b>9 Short-term Provisions</b>		
Employee Benefits	39.44	21.83
Provision for Current Tax (Net of Advance Tax)	12.58	104.75
	<b>52.02</b>	<b>126.58</b>

<b>SUNIL HEALTHCARE LIMITED</b>											
<b>Notes to the Financial Statements</b>											
10 Fixed Assets											
A. Tangible Assets											
(₹ in Lakhs)											
Description of Assets	Gross Block				Depreciation				Net Block		
	As at 31st March 2012	Additions/ Adjustments	Deduction/ Adjustments	As at 31st Mar 2013	Up to 31st March 2012	For the year	Deduction/ Adjustments	Up to 31st Mar 2013	As at 31st March 2013	As at 31st March 2012	
Leasehold Land	31.17	-	-	31.17	10.65	0.39	-	11.04	20.13	20.52	
Buildings	607.61	9.10	-	616.71	162.16	18.68	-	180.84	435.87	445.45	
Plant and Equipment	3,821.44	749.50	20.10	4,550.84	2,360.09	327.63	16.22	2,671.50	1,879.34	1,461.35	
Electric Installations	226.55	-	-	226.55	77.17	10.13	-	87.30	139.25	149.38	
Furniture and Fixtures and Improvement on Rented Premises	62.38	56.01	5.37	113.02	32.87	5.86	2.74	35.99	77.03	29.51	
Office Equipment	67.89	8.49	-	76.38	47.28	4.19	-	51.47	24.91	20.61	
Vehicles	148.66	65.63	21.10	193.19	33.63	15.26	13.95	34.94	158.25	115.03	
Tools & Dies	1.44	-	-	1.44	1.44	-	-	1.44	-	-	
Other Assets	15.38	-	-	15.38	3.98	1.09	-	5.07	10.31	11.40	
<b>Previous Year</b>	<b>4,982.52</b>	<b>888.73</b>	<b>46.57</b>	<b>5,824.68</b>	<b>2,729.27</b>	<b>383.23</b>	<b>32.91</b>	<b>3,079.59</b>	<b>2,745.09</b>	<b>2,253.25</b>	
	4,841.44	148.68	7.60	4,982.52	2,414.13	322.37	7.23	2,729.27	2,253.25	2,427.31	
(i) Vehicle includes ₹ 140.00 (Previous Year ₹ 101.34) Under Finance Scheme											
B Intangible Assets											
Description of Assets	Gross Block				Depreciation				Net Block		
	As at 31st March 2012	Additions/ Adjustments	Deduction/ Adjustments	As at 31st Mar 2013	Up to 31st March 2012	For the year	Deduction/ Adjustments	Up to 31st Mar 2013	As at 31st March 2013	As at 31st March 2012	
Software	18.54	-	-	18.54	16.27	0.25	-	16.52	2.02	2.27	
	-	-	-	-	-	-	-	-	-	-	
<b>Previous Year</b>	<b>18.54</b>	<b>-</b>	<b>-</b>	<b>18.54</b>	<b>16.27</b>	<b>0.25</b>	<b>-</b>	<b>16.52</b>	<b>2.02</b>	<b>2.27</b>	
	17.00	1.54	-	18.54	16.15	0.12	-	16.27	2.27	0.85	

**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

(₹ in Lakhs)

	As at	
	31/03/2013	31/03/2012
<b>11 Long-term Loans and Advances:</b> (Unsecured, considered good)		
Capital Advances	6.84	221.00
Security Deposits	40.19	38.58
Other loan and advances	1.08	1.13
	<b>48.11</b>	<b>260.71</b>
<b>12 Current Investments</b> (Valued at the lower of cost and fair value)		
<b>Current portion of Long-term Investments</b>		
Investments in Government Securities (National Saving Certificates)	0.06	0.06
	<b>0.06</b>	<b>0.06</b>
<b>13 Inventories:</b> (As taken, valued and certified by the Management) (Valued at cost or Net Realisable value whichever is lower)		
Raw Materials	112.03	119.19
Raw Materials in Transits	137.32	86.97
Work-in-Progress	60.23	64.13
Finished Goods	324.58	188.36
Capsules Scrap	2.10	2.12
Stores and Spares	130.29	107.94
	<b>766.55</b>	<b>568.71</b>
<b>14 Trade Receivables:</b> (Unsecured, Considered Good)		
Outstanding for a period exceeding six months (from the due date)	172.19	178.53
Outstanding for a period less than six months	1,235.66	1,052.69
	<b>1,407.85</b>	<b>1,231.22</b>
<b>15 Cash and Bank Balances:</b> <b>Cash and Cash Equivalents</b>		
Cash on hand	2.79	4.28
Balance with Banks:		
Current Accounts	36.33	62.70
	<b>39.12</b>	<b>66.98</b>
<b>Other Balances</b>		
Balance with Banks:		
Earmarked Balances (Unpaid Dividend)	2.34	3.39
Deposits against margin money maturing for more than 3 months but within 12 months	78.46	60.14
	<b>80.80</b>	<b>63.53</b>
	<b>119.92</b>	<b>130.51</b>
<b>16 Short-term Loans and Advances</b> (Unsecured and considered good)		
Prepaid Expenses	20.33	16.92
Advance to Suppliers	26.91	81.63
Excise Duty & Service Tax Receivable	17.31	23.67
Others	10.06	12.18
	<b>74.61</b>	<b>134.40</b>

**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

(₹ in Lakhs)

		As at	
		31/03/2013	31/03/2012
<b>17</b>	<b>Other Current Assets</b>		
	Accrued Export and Other Incentives	28.39	21.08
	Accrued Other Income	5.78	3.94
	Income Tax Refundable	9.95	1.04
	Income Tax paid under Protest	0.85	0.85
	Others	0.01	0.01
		<b>44.98</b>	<b>26.92</b>
<b>18</b>	<b>Contingent Liabilities and Commitments</b>		
<b>A.</b>	<b>Contingent Liabilities</b>		
	<b>(a)</b> Claims against the company not acknowledged as debt:		
	Demand for Octroi under disputes	8.47	8.47
	Income Tax and Wealth Tax	0.85	0.85
	(Paid under Protest ₹0.85 Previous year ₹0.85)		
	<b>(b)</b> Customs duty on capital Goods imported under EPCG Scheme, against which export obligation is to be fulfilled.	6.51	Nil
	<b>(c)</b> Customs duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled.	363.86	126.22
<b>B.</b>	<b>Commitments</b>		
	<b>(a)</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (Advances paid ₹ 6.84 Previous Year ₹221)	45.36	544.32
<b>19</b>	<b>Revenue from Operations:</b>		
	Sale of Products		
	Empty Hard Gelatin Capsules	4,829.64	4,547.97
	Others	4.70	14.33
	Other Operating Revenue		
	Export and Other Incentives	47.49	59.14
	Gross Revenue from Operations	<b>4,881.83</b>	<b>4,621.44</b>
	Less: Excise Duty	268.49	278.73
	Net Revenue from Operations	<b>4,613.34</b>	<b>4,342.71</b>
	Sales of product are after deduction of sales returns aggregating ₹21.27(Previous year ₹29.98) in respect of the goods sold in the previous year		
<b>20</b>	<b>Other Income:</b>		
	Interest Income	8.73	13.96
	Liabilities/ Provisions no longer required written back	45.86	44.48
	Gain on foreign currency transactions and translation (Net)	23.11	-
	Claim received	7.86	-
	Miscellaneous Receipts	0.63	27.15
		<b>86.19</b>	<b>85.59</b>
<b>21</b>	<b>Cost of Materials Consumed:</b>		
	Raw Material		
	Gelatin	1,466.11	1,283.32
	Colour & Chemical	81.84	73.32
		1,547.95	1,356.64
	Less: Transfer to Capital Work-in-Progress	8.58	-
		<b>1,539.37</b>	<b>1,356.64</b>

**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

(₹ in Lakhs)

	Year ended	
	31/03/2013	31/03/2012
<b>22 Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade</b>		
<b>Opening Inventories</b>		
Work-in-Progress (EHG Capsules)	64.13	42.10
Finished Goods	188.36	280.26
Capsule Scrap	2.12	6.39
	<b>254.61</b>	<b>328.75</b>
<b>Less: Closing Inventories</b>		
Work-in-Progress (EHG Capsules)	60.23	64.13
Finished Goods	324.58	188.36
Capsule Scrap	2.10	2.12
	<b>386.90</b>	<b>254.61</b>
	<b>(132.29)</b>	<b>74.14</b>
<b>23 Employee Benefits Expenses:</b>		
Salaries and Wages	514.27	439.62
Contribution to Provident and other Funds	61.04	51.77
Employee Welfare	49.86	50.62
	<b>625.17</b>	<b>542.01</b>
Less: Transfer to Capital Work-in-Progress	3.37	
	<b>621.80</b>	<b>542.01</b>
<b>24 Power and Fuel:</b>		
Power and Fuel	577.73	477.47
	<b>577.73</b>	<b>477.47</b>
Less: Transfer to Capital Work-in-Progress	6.16	
	<b>571.57</b>	<b>477.47</b>
<b>25 Other Expenses:</b>		
Consumption of Stores and Spares	49.84	43.02
Job Work charges	110.99	175.47
Packing Materials	99.42	110.37
Repairs to Buildings	12.65	9.35
Repairs to Machinery	208.72	146.60
Travelling & Conveyance including Directors' Travelling	67.35	94.10
Legal & Professional Charges	43.37	32.48
Rates and Taxes	8.07	2.63
Rent	40.50	49.40
Insurance	17.94	17.56
Auditors' Remuneration - (a)	2.80	2.52
Freight and Forwarding Expenses (Net)	328.52	207.32
Commission on Sales	19.91	24.82
Advances and Bad debts written off	0.89	0.76
Donation	0.46	0.41
Directors' Fees	2.66	1.82
Loss on foreign currency transactions and translation (Net) (Other than considered as finance cost)	-	4.67
Loss on sale of Fixed Assets	7.79	0.22
Increase/ Decrease of Excise Duty on closing stock	17.47	2.98
Miscellaneous Expenses (Including NIL (Previous Year ₹0.50)for increasing in Authorised Share Capital)	260.53	202.39
	<b>1,299.88</b>	<b>1,128.89</b>
Less: Transfer to Capital Work-in-Progress	13.53	8.73
	<b>1,286.35</b>	<b>1,120.16</b>



**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

(₹ in Lakhs)

	Year ended	
	31/03/2013	31/03/2012
(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	0.30
For Company Law matters	0.10	0.10
For Certification & Others	0.63	0.47
Reimbursement of expenses	0.12	0.15
	<b>2.80</b>	<b>2.52</b>
(b) Miscellaneous Expenses include :		
Repairs & Maintenance to Others	32.63	28.24
Postage, Telegram & Telephone Expenses	32.78	23.86
Bank Chages	48.24	32.67
Sales Promotion	34.12	24.16
Other Expenses	112.76	93.46
	<b>260.53</b>	<b>202.39</b>
<b>26 Finance Costs:</b>		
Interest Expenses	217.88	167.49
Other Borrowing Costs	28.66	15.72
Net (Gain) /Loss on foreign currency transactions and translation	28.23	18.42
	274.77	201.63
Less: Transfer to Capital Work-in-Progress	14.59	6.31
Borrowwing cost capitalised during the year ₹14.59 (Previous year ₹6.31)	<b>260.18</b>	<b>195.32</b>
<b>27 Depreciation and Amortization Expenses:</b>		
Depreciation and Amortization Expenses:	383.48	322.49
Less: Transfer from Revaluation of Fixed Assets Reserve	(1.39)	(1.39)
	<b>382.09</b>	<b>321.10</b>
<b>28 Tax Expenses</b>		
<b>Current Tax</b>		
Current Tax for the year	51.99	145.00
Less: MAT Credit Entitlement	-	-
	51.99	145.00
Current Tax adjustments for earlier years (Net)	-	1.75
	<b>51.99</b>	<b>146.75</b>
<b>Deferred Tax</b>		
Deferred Tax for the year	23.30	35.53
	<b>23.30</b>	<b>35.53</b>

**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 7000 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.

**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated.

**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 Benefit**

Year end 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

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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

Year end liability on account of unavailed 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.

**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 ₹ 55 Lacs received from a Debtors which was written off in earlier year

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

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**Notes to the Financial Statements**

**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) :

	(₹ in Lakhs)	
	<u>31/03/2013</u>	<u>31/03/2012</u>
<b>(a). Change in Defined Benefit Obligations:</b>		
Present value of Defined Benefit Obligations at the beginning of the year	78.12	62.21
Current Service Cost	7.32	5.28
Past Service Cost	-	-
Interest Cost	6.72	4.98
Curtailement Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Plan Amendments	-	-
Actuarial Gain/ (Loss)	10.23	16.89
Benefits Paid	(8.90)	(11.24)
Present value of Defined Benefit Obligations at year end	<b>93.49</b>	<b>78.12</b>
<b>(b). Change in Fair value of Plan Assets:</b>		
Fair value of Plan Assets at the beginning of the year	48.40	46.82
Expected return on Plan assets	4.85	4.57
Actuarial Gain/ (Loss)	-	-
Contributions	10.47	8.25
Benefits Paid	(8.90)	(11.24)
Fair value of Plan Assets at the year end	<b>54.82</b>	<b>48.40</b>
<b>(c). Amount recognised in Balance Sheet:</b>		
Fair value of Plan Assets at the year end	(54.82)	(48.40)
Present value of Defined Benefit Obligations at year end	93.49	78.12
Amount recognised in Balance Sheet at year end	<b>38.67</b>	<b>29.72</b>
<b>(d). Expenses recognised in Statement of Profit and Loss:</b>		
Current Service Cost	7.32	5.28
Past Service Cost	-	-
Interest Cost	6.72	4.98
Curtailement Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Actuarial Gain/ (Loss)	10.23	16.89
Expected return on Plan assets	(4.85)	(4.57)
Expenses recognised in Statement of Profit and Loss during the year	<b>19.42</b>	<b>22.58</b>
<b>(e). Break-Up of the defined benefit obligations</b>		
Funded	(54.82)	(48.40)
Unfunded	38.67	29.72
Total Obligation as at Balance Sheet date	<b>(16.15)</b>	<b>(18.68)</b>
<b>(f). Investments details of Plan Assets:</b>		
Qualifying Insurance Policy	100%	100.00%
<b>(g). Principal Actuarial Assumptions:</b>		
Discount rate based on market yields available on Government bonds	8.00%	8.60%
Expected rate of return on assets	9.15%	9.15%
Service cost increases taking into account inflation, seniority, promotion and other relevant factors.	4.00%	3.00%

**SUNIL HEALTHCARE LIMITED**  
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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 ₹31.96/- (Previous Year ₹25.56/-) being contribution to employees' Provident Fund (Defined Contribution Plan)

(₹ in Lakhs)

Year ended	
31/03/2013	31/03/2012

**29.2.5 Earning per Share (EPS) of ₹ 10/- each**

Profit/ (Loss) for the period	144.35	216.87
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	10254750	9671457
Weighted average number of Diluted Equity Shares outstanding	10254750	9671457
Face value of per share	10.00	10.00
Basic EPS	1.41	2.24
Diluted EPS	1.41	2.24

**29.2.6 Related Party Disclosures:**

Transactions for the year ended 31 <sup>st</sup> March 2013	Year ended 31 <sup>st</sup> March 2013	Year ended 31 <sup>st</sup> March 2012
<b>Mr. Anil Khaitan (Key Management Personal)</b>		
1 Unsecured Loan Taken	98.00	9.80
2 Unsecured Loan Repayment	95.17	-
3 Salary and Allowances	28.34	29.31
Closing Balance Payable		
Loan	12.63	9.80
Salary and Allowances	3.19	2.48
<b>Mrs. Sarita Khaitan (Wife of Key Management Personal)</b>		
1 Lease rent paid	10.29	9.60
2 Building Maintenance	12.22	11.40
3 Salary & Allowance	27.58	27.00
Closing Balance Payable	0.84	1.97
<b>Mr. Ishan Khaitan (Son of Key Management Personal)</b>		
1 Salary & Allowance	20.39	17.87
2 Closing Balance Payable	0.90	0.64
<b>Mr. Kahaan Khaitan (Son of Key Management Personal)</b>		
1 Salary	6.00	6.00
Others	2.18	2.18
<b>M/S SNK Mecotronics Limited (Significant influence of Key Management Personal)</b>		
8 Advance Against Service	-	-
9 Closing Balance Receivable	-	11.00
<b>Total</b>	<b>317.73</b>	<b>139.05</b>

(Above transaction excludes Bonus Share issued.)

**SUNIL HEALTHCARE LIMITED**  
**Notes to the Financial Statements**

**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:

	Year ended 31/03/2013			Year ended 31/03/2012		
	India	Rest of World	Total	India	Rest of World	Total
Operating Revenue (Net)	2,240.55	2,372.79	4,613.34	2,656.91	1,685.80	4,342.71
Debtors as at the year end	784.77	623.08	1,407.85	701.01	530.21	1,231.22
Capital Expenditure	978.31	-	978.31	185.30	-	185.30

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):**

(₹ in Lakhs)

	Year ended			
	31/03/2013	31/03/2012		
Raw Materials	974.57	525.18		
Stores and Spares	44.77	10.48		
Capital Goods	434.38	17.61		
<b>B. Expenditure in foreign currency during the year:</b>				
Travelling Expenditure	12.82	44.10		
Commission on Sales	4.94	7.77		
Others	10.42	10.20		
<b>C. Value of Raw Materials, Coal and Fuel and Stores and Spares consumed during the year ended:</b>				
	<b>Value (₹ Lakhs)</b>		<b>Percentage (%)</b>	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Raw Materials:				
Imported	956.47	426.41	62.13%	31.43%
Indigenous	582.90	930.23	37.87%	68.57%
	<b>1,539.37</b>	<b>1,356.64</b>	100%	100%
Stores and Spares:(Included debited to other heads)				
Imported	2.24	6.46	2.17%	6.49%
Indigenous	101.17	93.08	97.83%	93.51%
	<b>103.41</b>	<b>99.54</b>	100%	100%
<b>E. Earnings in Foreign Exchange:</b>				
Export of Goods on F.O.B. basis		2,204.02		1,524.20
Other Income		23.80		-

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

Particulars	Amount In Lakhs			
	As at 31.03.2013		As at 31.03.2012	
	In USD	In Equivalent ₹	In USD	In Equivalent ₹
Receivable	11.46	623.08	10.36	530.21
Payables	10.64	578.92	15.95	815.81
	In Euro	In Equivalent ₹	In Euro	In Equivalent ₹
Receivable	-	-	-	-
Payables	-	-	0.04	2.74

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 attached		FOR AND ON BEHALF OF BOARD OF DIRECTORS	
For SINGHI & CO.	Chairman Cum Managing Director	Anil Khaitan	
Chartered Accountants			
Firm Reg. No. 302049E			
<b>Sd/-</b>	Directors	Joginder Singh (Retd. IPS)	
(B K SIPANI)		S N Balasubramanian	
Partner		R K Niyogi (Retd. IPS)	
M. No. 88926		B P Srinivasan	
		R C Khurana	
New Delhi	Chief Financial Officer	PAWAN RATHI	
The 11 <sup>th</sup> May, 2013	Manager-Legal Cum Company Secretary	VIRENDRA GARG	

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