



SHL/SEC/2022

August 30, 2022

The Manager  
Bombay Stock Exchange Limited  
Department of Corporate Services,  
P J Towers, Dalal Street,  
Mumbai – 400001.

The Calcutta Stock Exchange Ltd.  
7, Lyons Range  
Kolkata - 700 001 India

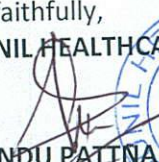
Scrip Code: 537253 at BSE

**Sub. : Submission of Annual Report pursuant to Regulation 34 (1) of SEBI (LODR) Regulations, 2015**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the financial year 2021-22 for the 48<sup>th</sup> Annual General Meeting of the Company which is scheduled to be held on Wednesday, 28.09.2022 at 12.30 P.M./IST through Video Conferencing(VC) /other Audio Visual Means (OAVM) for which the Registered office of the Company at 38E/252A, Vijay Tower, 3rd Floor, Panchsheel Commercial Complex, Shahpur Jat, New Delhi-110049 shall be deemed as the venue for the meeting.

Thanking you,

Yours faithfully,  
for SUNIL HEALTHCARE LIMITED

  
**SATYENDU PATNAIK**  
**COMPLIANCE OFFICER**  
**M NO. (ICSI): F-7736**



Encl.: As above.

**Sunil Healthcare Limited**

Vijay Tower, 38E/252 - A, Shahpur Jat, Panchsheel Park Commercial Complex, New Delhi-110049

T: +91 11 49435555/00 F: +91 11 43850087 E-mail: info@sunilhealthcare.com Web.: www.sunilhealthcare.com

CIN No.: L24302DL1973PLC189662

# **48<sup>th</sup> ANNUAL REPORT 2021-22**



## **SUNIL HEALTHCARE LIMITED**

**(A WHO-GMP Certified Company)**

**Reg. Office:** 38E/252A, Vijay Tower, Shahpurjat, New Delhi-110049

CIN No: L24302DL1973PLC189662

Phone No: +91-11-49435555/00 Fax no 011-43850087

Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)

Web; [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

**Board of Directors**

Mr. Anil Khaitan (Chairman cum Managing Director)  
 Mr. Rakesh Mohan (Non Executive -Independent Director)  
 Mr. Sanjay Kumar Kaushik (Non Executive- Independent Director)  
 Mr. (Dr.)Harish Pal Kumar (Non Executive-Independent Director)  
 Mr. (Amb.) Krishna Venkatachalam Rajan (Non Executive -Non Independent Director)  
 Mr. Bejon Kumar Misra (Non-Executive- Independent Director)  
 Mrs. Mudita Chaturvedi (Non Executive -Non Independent Director)

**CHIEF EXECUTIVE OFFICER**

Mr. Anil Khaitan (w.e.f. 14.08.2019)

**AGM Legal cum Company Secretary**

Mr. Santosh Kumar Sharma

**Statutory Auditors**

M/s JKVS & Co.  
 Chartered Accountants  
 209, Hans Bhawan 1, Bahadur Shah Zafar Marg,  
 New Delhi-11002

**Registered Office**

38E/252-A, Vijay Tower, ShahpurJat  
 New Delhi-110049, India

**Bankers**

State Bank of India  
 Chandni Chowk, New Delhi

**CHIEF FINANCIAL OFFICER**

Mr. Pawan Rathi

**Secretarial Auditors**

ATCS & Associates  
 Company Secretaries  
 23KA-4, Jyoti Nagar, Near Vidhan Sabha, Jaipur-302005

**Internal Auditors**

M/s. Agrawal S. Lal & Co.  
 Chartered Accountants  
 50, Bank Colony, Alwar-301001

**Plant & Works**

17/18, Old Industrial Area, Alwar-301001  
 Rajasthan, India

**Registrar & Share Transfer Agent**

M/s Alankit Assignment Limited  
 RTA Division  
 Alankit House 4E/2 Jhandelwala Extension  
 New Delhi -110055,  
 Tel: 91-114254 1234 Fax: 91-11-4254 1201, 91-11-2355 2001  
 Web:-www.alankit.com,  
 Email Id: info@alankit.com/lalitap@alankit.com/jksingla@alankit.com

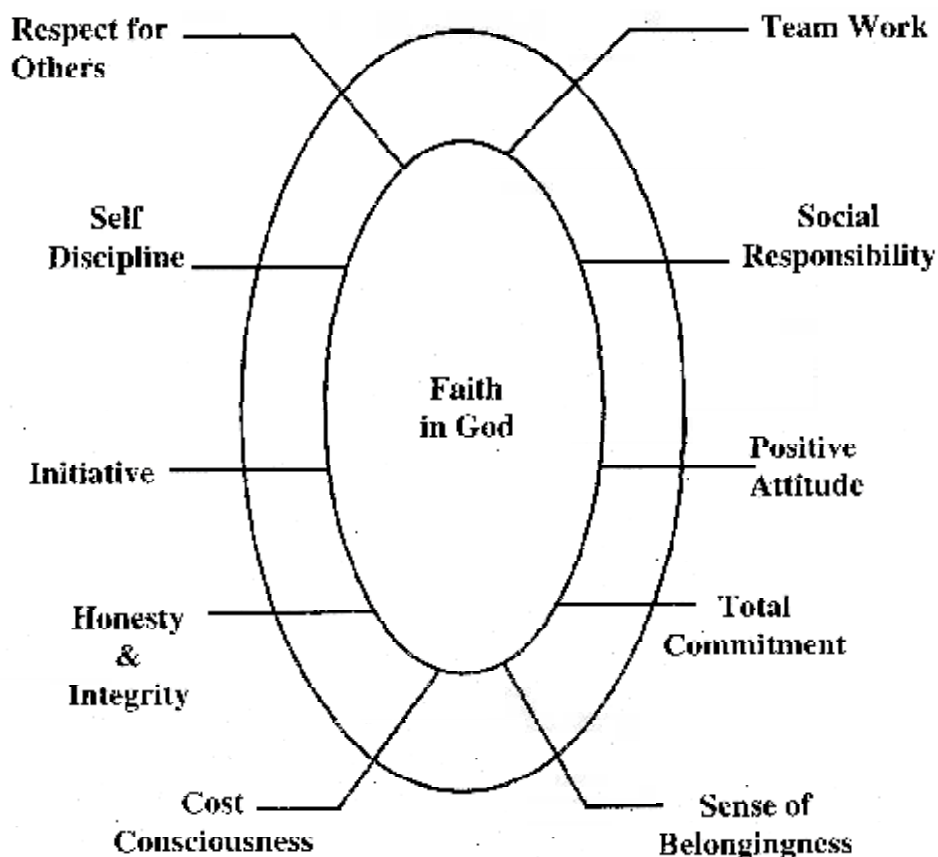
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**Our beloved founder Chairman  
Shri S. N. Khaitan  
(1922 - 1999)**

**‘He Lives in the heart of tomorrow’**

# **CORPORATE CULTURE**



**SUNIL HEALTHCARE LIMITED****Regd. Office:** 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049**CIN-L24302DL1973PLC189662/Email:-** info@sunilhealthcare.com/**Webiste:** www.sunilhealthcare.com**Tel:-**+91-11-49435555/00, **Fax;** +91-11-43850087**NOTICE**

**Notice is hereby given that the 48<sup>th</sup> Annual General Meeting of the Members of the Company** will be held on Wednesday, the 28<sup>th</sup> September, 2022 at 12:30 P.M./IST through Video Conferencing (VC)/ other Audio Visual Means (OAVM) for which Registered office of the Company at 38E/252A, Vijay Tower, 3<sup>rd</sup> floor, Panchsheel Commercial Complex, Shahpur Jat, New Delhi-110049, shall be deemed as the venue for the meeting, to transact the following business (es):-

**Ordinary Business**

1. **To consider and adopt the audited annual financial statements** i.e. the Balance Sheet, Profit & Loss Account and Cash Flow Statement (both standalone and consolidated) of the Company for the financial year ended 31st March, 2022 together with report of the Board of Directors and Auditors' thereon, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited annual financial statements i.e. the Balance Sheet, Profit & Loss Account and Cash Flow Statement (both standalone and consolidated) for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon, have already been circulated to the members and produced at the meeting be and are hereby received, approved and adopted."

2. **To consider the re-appointment of Mrs. Mudita Chaturvedi (DIN: 02384403)** as Non- Executive Director, who retires by rotation, and, being eligible, offers herself, for re-appointment and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force Mrs. Mudita Chaturvedi (DIN: 02384403), Non- Executive Director, who retires by rotation, and being eligible, offers herself for re-appointment, be and is hereby re-appointed."

3. To appoint **M/s. Singhi & Co., (Firm registration no. 302049E)**, Chartered Accountants, as a Statutory Auditors of the Company to hold office for a consecutive period of five years from the conclusion of the 48<sup>th</sup> Annual General Meeting till the conclusion of the 53<sup>rd</sup> Annual General Meeting and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to Section 139, 141, 142 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation made by the Audit Committee and board of directors, consent of the shareholders be and is hereby accorded for appointment of **M/s. Singhi & Co., (Firm registration no. 302049E)**, Chartered Accountants, as the Auditors of the Company in place of the retiring Auditors **M/s. JKVS & Co., (Firm registration No. 318086E)**, Chartered Accountants, **for 1<sup>st</sup> term of 5 years starting from conclusion of the 48<sup>th</sup> Annual General meeting till conclusion of 53<sup>rd</sup> Annual General Meeting at a such remuneration/Professional fees including Tax Audit fees as may be decided mutually by Mr. Anil Kumar Khaitan, Chairman & Managing Directors after discussion with the Auditors exclusive of applicable GST, incidental, statutory and out of pocket expenses including expenses on travelling, boarding and lodging and at such other terms and conditions as agreed from time to time"**

**Special Business**

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

**"RESOLVED THAT** in accordance with the provisions of Section 149 and applicable provisions of the Companies Act, 2013, and Regulation 17 of and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, the

consent of the shareholders be and is hereby accorded for the change in the designation of Mr. Sanjay Kumar Kaushik (DIN: 00329013), from Independent Director to Non- Executive Director of the Company, liable to retire by rotation.

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

**“RESOLVED THAT** pursuant to the provision of Section 149, 152 and 164 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re- enactment thereof for the time being in force) and Regulation 16, 17 and 17A of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015, Mrs. Mudita Chaturvedi (DIN: **02384403**), who is Non-Executive Director of the Company, from whom necessary declaration and disclosure as required under the Companies Act, 2013 read with Rules and Insider Trading Regulation, 2015 have already been received, be and is hereby appointed as Non-Executive and Independent Director of the Company, to hold office for a term of 5(Five) consecutive years commencing from September 28, 2022 upto September 27, 2027, not liable to retire by rotation.”

**On behalf of the Board**

**For SUNIL HEALTHCARE LIMITED**

**ANIL KUMAR KHAITAN**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN-00759951**

Place – New Delhi

Dated- July 20, 2022

**Notes**

**Reg. Office:**

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

CIN No: L24302DL1973PLC189662

Phone No: +91-11-49435555/00 Fax no 011-43850087

Email ID: info@sunilhealthcare.com

Web: www.sunilhealthcare.com

1. **IN VIEW OF THE THREAT POSED BY COVID-19 PANDEMIC, THE MINISTRY OF CORPORATE AFFAIRS (MCA), HAS VIDE ITS GENERAL CIRCULAR NO. 02/2022 DATED MAY 05, 2022, GENERAL CIRCULAR NO. 02/2021 DATED JANUARY 13, 2021 READ WITH GENERAL CIRCULAR NOS. 20/2020 DATED MAY 05, 2020, 14/2020 DATED APRIL 08, 2020, 17/2020 DATED APRIL 13, 2020 AND CIRCULAR NO. 22/2020 DATED JUNE 15, 2020 (COLLECTIVELY REFERRED AS MCA CIRCULARS), AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) VIDE ITS CIRCULAR NO. SEBI/HO/CFD/CMD2/CIR/P/2022/62, DATED MAY 13, 2022, SEBI/HO/CFD/CMD 2/CIR/P/2021/11 DATED JANUARY 15, 2021 READ WITH CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020 (COLLECTIVELY REFERRED AS SEBI CIRCULARS), PERMITTED CONVENING OF ANNUAL GENERAL MEETING (AGM) THROUGH VIDEO CONFERENCING (VC)/ OTHER AUDIO VISUAL MEANS (OAVM), WITHOUT PHYSICAL PRESENCE OF THE MEMBERS FOR ENSURING THE SOCIAL DISTANCING NORMS. IN PURSUANCE WITH THE MCA CIRCULARS, PROVISIONS OF THE COMPANIES ACT, 2013, SEBI CIRCULARS, AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS, THE 47TH AGM OF THE COMPANY IS BEING CONVENED THROUGH VC/ OAVM. THE REGISTERED OFFICE OF THE COMPANY SHALL BE DEEMED TO BE VENUE OF THE AGM.**
2. **GENERALLY, A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM), IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. SINCE THIS 48<sup>TH</sup> AGM IS BEING CONVENED THROUGH VC/OAVM ONLY, PURSUANT TO MCA CIRCULARS/SEBI CIRCULARS, PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND THEREFORE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED HERETO.**
3. **INSTITUTIONAL INVESTORS/CORPORATE MEMBERS INTENDING TO AUTHORISE THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PURSUANT TO SECTION 113 OF THE COMPANIES ACT 2013, ARE REQUESTED TO SEND TO THE COMPANY A CERTIFIED COPY OF THE BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVE FOR THE PURPOSE OF REMOTE E-VOTING OR ATTEND AND E-VOTING ON THEIR BEHALF AT THE MEETING. THROUGH VC/OAVM.**



4. **The members can join the 48<sup>th</sup> AGM in VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of meeting after following the process and manner of login at InstaMeet, are given in this Notice under Note no. 23.**
5. **The attendance of the members/shareholders attending this 48<sup>th</sup> AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.**
6. **AN EXPLANATORY STATEMENT RELATING TO APPOINTMENT OF AUDITORS AT ITEM NO. 3 AND THE SPECIAL BUSINESS AT ITEM NOS. 04 TO 05 TO BE TRANSACTED AT THE MEETING IS ANNEXED HERETO AND FORMS PART OF THE NOTICE OF AGM.**
7. The Register of Members and Share Transfer Books of the Company will remain close from Wednesday, 21.09.2022 to Wednesday 28.09.2022 (both days inclusive).
8. **Brief resume of Mr. Sanjay Kumar Kaushik (DIN: 00329013)** whose designation is proposed to be changed from Independent Director to Non-Executive Director, retire by rotation and **Mrs. Mudita Chaturvedi (DIN: 02384403)**, who is proposed to be appointed as Independent Director, not retire by rotation, and respectively, the nature of their expertise in specific functional areas, names of companies in which they hold directorships and membership(s) / chairmanship(s) of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 (3) SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, are provided in this report as **ANNEXURE 1 to the notice.**
9. The Members are requested to note that, the Company has appointed M/s Alankit Assignment Limited at “4E/2, Alankit House, Jhandewalan Extension, New Delhi 110055, Contact no. 91-11-4254 1234 email id: [rta@alankit.com](mailto:rta@alankit.com), [lalitap@alankit.com](mailto:lalitap@alankit.com), as Registrar and Transfer Agent to look after the work related to shares held in physical as well as demat mode.

#### **Nomination facility**

10. The Members who hold shares in the physical form and wish to make/change in nomination in respect of their shareholding in the Company, as permitted pursuant to the provisions of Section 72 of the Companies Act, 2013, may do so by submitting to the Company the prescribed Form SH-13 duly filled in to Company's Registrar and Share Transfer Agent (RTA). The Nomination form can be obtained from RTA by emailing at [rta@alankit.com](mailto:rta@alankit.com), [lalitap@alankit.com](mailto:lalitap@alankit.com), by quoting their folio number.
11. Members, who are holding shares in identical orders of names in more than one folio, are requested to write to the Company's Share Transfer Agents M/s Alankit Assignment Limited at “4E/2, Alankit House, Jhandewalan Extension, New Delhi 110055” for consolidation into one folio.
12. **The Members are requested to notify** immediately any change of address:
  - i) To their Depository Participants (DPs) in respect of their electronic share accounts and
  - ii) To the Company's Registrar, **M/s Alankit Assignment Limited at “4E/2, Alankit House, Jhandewalan Extension, New Delhi 110055”, Contact no. 91-11-4254 1234 email id: [rta@alankit.com](mailto:rta@alankit.com), [lalitap@alankit.com](mailto:lalitap@alankit.com)** in respect of their physical share folios, if any, quoting their folio number. Further the queries related to the shares may be raised to RTA.
13. For receiving all communication (including Annual Report) from the Company electronically:
  - (i) Members holding shares in physical mode and who have not updated their email address with the Company are requested register/update the same by writing to the Company with details of Folio number and attaching self-attested copy of a PAN card at [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com)/ [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) or to Alankit Assignment Limited at [rta@alankit.com](mailto:rta@alankit.com), [lalitap@alankit.com](mailto:lalitap@alankit.com)
  - (ii) The members holding shares in electronic form may get their email id's updated with their respective Depository Participants.
  - (iii) **Temporarily updation of email id for receiving Annual Report alongwith Notice and e-voting/video conferencing Instructions of the 48<sup>th</sup> AGM:** The member may temporarily update their email id by dropping



email alongwith signed request letter to our E-voting and Video conferencing Agency Link Intime India [delhi@linkintime.com](mailto:delhi@linkintime.com) or to the Company at [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com).

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s Alankit Assignment Limited.

#### **INSPECTION OF DOCUMENTS**

15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, the Register of contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the accompanying Notice and the Statement will be available electronically for inspection by the members during the AGM without any fees by the members. Members seeking to inspect such documents can send an email to [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com).

#### **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE**

16. In consonance with the MCA Circulars and SEBI Circulars, the Notice of the 48<sup>th</sup> AGM alongwith the Annual Report for financial year 2021-22 and other communications is being sent only to those members, whose email id are registered with the Company/ RTA/Depositories till July 29, 2022 (cutoff date) for sending the Notice.

The Members who had joined the Company as member after July 29, 2022 till September 20, 2022 (7 days prior to date of Meeting) may write to [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com), [rta@alankit.com](mailto:rta@alankit.com) or [lalitap@alankit.com](mailto:lalitap@alankit.com).

The Members may note that the Notice of the 48<sup>th</sup> AGM alongwith the Annual Report for financial year 2021-22 will also be available on the Company's website at [www.sunilhealthcare.com](http://www.sunilhealthcare.com), website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com) on the website of the E-voting and Video conferencing Agency viz. Link Intime India Pvt. Ltd. at <https://instavote.linkintime.co.in/>.

17. Pursuant to the provisions of the Section 124 and 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting, audit, Transfer and Refund), Rule, 2016 ("The Rules") unpaid/unclaimed dividend are required to be transferred by the Company to Investor Education & Protection fund (The IEPF) established by the Central Government after the completion of seven years. Further according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years shall also be transferred to the demat account created by the IEPF Authority, however, the company did not declare dividend after 2008-09. The Company has transferred the unpaid or unclaimed dividend for the financial year 1999-2000 to 2008-09 as per the relevant provision of the Companies Act 2013. Thereafter, The Company did not declare any dividends.

Further, those shareholders, whose dividends were transferred in IEPF Account may still claim refund by filing refund application in form IEPF-5. After filing of the said form, printout of the same to be submitted alongwith indemnity bond, acknowledgment, self-attested form alongwith other necessary documents as mentioned in detailed procedures for claiming of refund at IEPF portal <http://www.iepf.gov.in/IEPF/refund.html> and for verification purpose to Mr. Santosh Kumar Sharma, Company Secretary, The Nodal Officer, Vijay Tower, 38E/252-A, Shahpur Jat, Panchsheel Park Commercial Complex, New Delhi-110049, contact no. 011-49435555.

18. Non-Resident Indian Members are requested to inform our RTA M/s. Alankit Assignment Limited, immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. **Pursuant to the directions of the Securities and Exchange Board of India (SEBI), from April 01, 2019 no transfer of shares in physical mode is allowed and trading in the shares of your Company is in compulsory dematerialized form. The Members, who have not, yet got their shares dematerialized are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Share Transfer Agent of the Company. The promoters**

**of the Company have already converted their 100% physical shareholding into demat form.**

20. **As the AGM of the Company is to be conducted through VC/OAVM, the Members desirous of getting any information/clarification** relating to any of the business mentioned in notice of the AGM of the Company or intending to raise any query at AGM are requested to write to the Company Secretary at email id at [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com) or [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) at **least Seven days** before the Meeting i.e. **by September 21, 2022**, so that the information required can be made readily available.
21. **The 48<sup>th</sup> AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 and MCA/SEBI circulars.**
22. **Voting through electronic means:**
- In compliance with provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification (s) or re-enactment thereof for the time being in force) and provision of Regulation 44 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 48<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The company has engaged services of Linkintime India Private Limited for availing of Instavote platform for casting the vote through "remote e-voting"/ e-voting.
  - The facility for evoting shall be made available at the AGM and the members attending the meeting who have not casted their vote by remote e voting shall be able to exercise their right at the meeting through e-voting. Necessary instruction are given under **Note no. 23 (C) of this Notice.**
  - The members who have casted their vote by remote e- voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
  - The remote e-voting period will commence at 9:00 A.M. on **Sunday, the 25<sup>th</sup> September, 2022 and will end at 5:00 P.M. on Tuesday, the 27<sup>th</sup> September, 2022.** During this period, Members of the Company holding shares either in physical form or in dematerialized form, as **on cut-off date i.e. Tuesday, the 20<sup>th</sup> September, 2022**, may cast their vote by remote e-voting at InstaVote platform of LIIPL. The remote e-voting module shall be disabled by Link Intime Pvt. Ltd (LIIPL), E-voting agency for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020: The detail instructions for Remote e-voting are as under:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9<sup>th</sup> June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:**

<b>Type of shareholders</b>	<b>Login Method</b>
<b>I) Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> </ul>

	<ul style="list-style-type: none"> <li>After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>II) Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>

<b>III) Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>IV) Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b>	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -                         <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.                                 <ul style="list-style-type: none"> <li>Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’; shall provide their Folio number in ‘D’ above</li> </ul> </li> </ol> </li> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click “confirm” (Your password is now generated).</li> </ul> </li> <li>Click on ‘Login’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> <li>After successful login, you will be able to see the notification for e-voting. Select ‘<b>View</b>’ icon.</li> <li>E-voting page will appear.</li> </ol>

	<p>6. Refer the Resolution description and cast your vote by selecting your desired option <b>'Favour / Against'</b> (If you wish to view the entire Resolution details, click on the <b>'View Resolution'</b> file link).</p> <p>7. After selecting the desired option i.e. Favour / Against, click on <b>'Submit'</b>. A confirmation box will be displayed. If you wish to confirm your vote, click on <b>'Yes'</b>, else to change your vote, click on <b>'No'</b> and accordingly modify your vote.</p>
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**V) Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & voting service Provider is LINKINTIME, have forgotten the password:**

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.
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**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding remote e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Contact Mr. Rajiv Ranjan of LIPL, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India or call at: -Tel: 022 –4918 6000.

**f. General instructions:**

- i) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of 20<sup>th</sup> September, 2022.
- ii) Any person, who acquires shares of the Company and become member of the Company after sending of the notice and holding shares as of the cut-off date i.e. Tuesday 20<sup>th</sup> September, 2022, may obtain the login ID and password by following the instructions of Remote e-voting
- iii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting /voting at the Annual General Meeting through e voting.
- iv) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- v) Mr. Tara Chand Sharma, Practicing Company Secretary (Membership No.5749 and CP no is 4078) and Proprietor of M/s. Jain Sharma & Associates, Company Secretaries, Jaipur has been appointed as the Scrutinizer to scrutinize the e-voting and remote E voting process in a fair and transparent manner.
- vi) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting unblock the votes cast through remote e voting and e-voting in the presence of at least two witnesses not in the employment of the Company and shall make within two working days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting.
- vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and on the website of LIPL at <https://instavote.linkintime.co.in> after the declaration of result by the chairman or a person authorised by him in writing. The result shall also be immediately uploaded at website of the BSE Limited and shall be forwarded to the Calcutta Stock Exchange Limited.
- viii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of AGM i.e. 28<sup>th</sup> September, 2022.

**PROCESS FOR JOINING AND ATTENDING THE 48<sup>TH</sup> AGM THROUGH VC/OAVM**

23. The Company will provide VC/OVAM facility to its members for participating in Annual General Meeting. The Company has appointed M/s Link Intime India Private Limited, as an agency to Provide Video conferencing and evoting facility in the 48<sup>th</sup> Annual General meeting at its **Insta meet** platform at <https://instameet.linkintime.co.in>
- A) The following are guidelines and procedure to be adopted by the Members for joining and attending the AGM at **InstaMeet platform**:
  1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- ▶ Select the **“Company”** and **‘Event Date’** and register with your following details: -
- A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
  - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
  - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company, shall use the sequence number provided to you, if applicable.
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ **Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).**

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

**B) Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance (till September 21, 2022) with the company on the mentioning their name, demat account number/folio number, email id, mobile number at [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com) or [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) , the management will exercise its discretion based upon numbers of speaker and availability of time.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**C) Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.



4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through **InstaMeet facility** and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

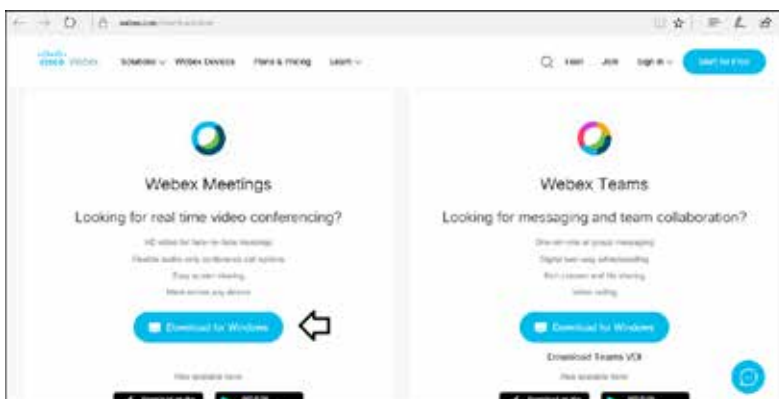
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

**In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.**

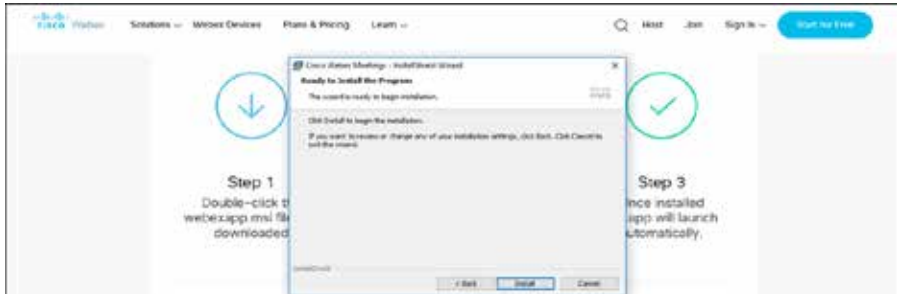
#### D) Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>







or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application</u> . Click on this exe file to run the application and join the meeting by clicking on Join Now



**Explanatory Statement Pursuant To Section 102 (1) of the Companies Act, 2013**

The following Explanatory Statement sets out all material facts relating to the Ordinary/Special Business mentioned in the accompanying notice dated July 20, 2022.

**Item No. 3**

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

As per the provisions of Section 139 of the Companies Act, 2013 ("the Act") read with rules made thereunder, no listed Company shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Further, as per Section 139 of the Act. In view of the same, the first term of the existing Statutory Auditors viz. M/s. JKVS & Co., Chartered Accountants, Delhi (Firm registration No. 318086E), is being expired in ensuing the 48th Annual General Meeting.

The Board of Directors on the recommendation of the Audit Committee, at its meeting held on May 06, 2022, proposed the appointment of **M/s. Singhi & Co., (Firm registration no. 302049E)** Chartered Accountants, as the statutory auditors of the Company for 1<sup>st</sup> term of 5years staring from conclusion of the 48<sup>th</sup> Annual General Meeting till conclusion of the 53<sup>rd</sup> Annual General Meeting to be held in the calendar year 2027, at remuneration mutually decided by Mr. Anil Kumar Khaitan, Chairman & Managing Directors and **M/s. Singhi & Co.,** Chartered Accountants, exclusive of applicable GST, incidental, statutory and out of pocket expenses including expenses on travelling, boarding and lodging and at such other terms and conditions as agreed from time to time. **The appointment is subject to approval of the shareholder in ensuing the 48<sup>th</sup> Annual General Meeting.** Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the Section 139 read with Section 141 of the Act and conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

Brief Profile of Proposed Auditors: M/s. Singhi & Co. has been in the profession for over 80years and is one of the well reputed audit firm in the country. They provide varied services which include assurance, risk advisory, taxation, corporate finance etc. They serve multiple listed companies and have tremendous experience in the field of audit. Singhi & Co. has 26 partners with 8 offices across the country. They are Indian members of Moore Global network.

**None of the Directors and Key Management Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 3**

**The Board of Directors recommend the item no. 3 to be passed as Ordinary Resolution by the shareholders.**

**No. 04**

**Mr. Sanjay Kumar Kaushik** (DIN: 00329013) was appointed as a Director on the Board of the Company on June 03, 2003. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 40<sup>th</sup> Annual General Meeting held on September 27, 2014 approved the appointment of Mr. Sanjay Kumar Kaushik as an Independent Director of the Company for a period of 5 years up to September 26, 2019, and re-appointment of Mr. Kaushik as Independent Director was approved by the Shareholders in the 45<sup>th</sup> AGM held on 27.09.2019 for a period of 5 years.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on July 20, 2022 has approved the change in designation of Mr. Sanjay Kaushik as Non-Executive Director, liable to retire by rotation, subject to approval of the shareholders in the 48<sup>th</sup> AGM through Special Resolution w.e.f. 28.09.2022.

Brief resume and disclosure of information of Mr. Sanjay Kumar Kaushik (DIN: 00183128), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standard – 2 on General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government are given in the **Annexure 1 to the Notice.**

The resolution seeks the approval of members for the change in designation of Mr. Sanjay Kumar Kaushik as Non-Executive Director of the Company, liable to retire by rotation, commencing from September 28, 2022 in terms of provision of Section 152 and other applicable provisions of the Act and Rules made there under. He is liable to retire by rotation. In the opinion of the Board, Mr. Sanjay Kumar Kaushik fulfills the conditions to continue as Non-Executive Director, liable to retire by rotation as specified in the Act and the SEBI Listing Regulations and is not related to the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Sanjay

Kumar Kaushik, the Board of Directors at its meeting held on July 20, 2022 recommends the change in designation of office of Mr. Sanjay Kumar Kaushik as Non-Executive Director, liable to retire by rotation, for the approval of the members of the company through special resolution.

**None of the other Directors and Key Management Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 4**

**The Board of Directors recommend the item no. 4 to be passed as Special Resolution by the shareholders.**

#### **Item No. 05**

**Mrs. Mudita Chaturvedi** (DIN: 02384403) was appointed as Non-Executive Director of the company, liable to retire by rotation w.e.f. November 01, 2019.

She is not disqualified from being appointed as Non- Executive Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Non-Executive Director, liable to retire by rotation.

The Company has received intimation in Form DIR-8 from Mrs. Mudita Chaturvedi that, she is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act, declaration that she meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

She is enrolled herself with database of Independent Directors maintained by Institute of Corporate Affairs, Manesar to act as Independent Director and Confirm the Compliance of Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Her registration no. with Institute of Corporate Affairs is IDDB-DI-202207-043373, which is valid from July 12, 2022 to July 11, 2027.

On the recommendation of the Nomination and Remuneration committee, the Board in its meeting held on July 20, 2022, approved the appointment of Mrs. Mudita Chaturvedi as Independent Director subject to approval of the shareholders through Special resolution in ensuing Annual General meeting.

Brief resume and disclosure of information of **Mrs. Mudita Chaturvedi** (DIN: 02384403), nature of her expertise in specific functional areas and names of Companies in which she holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standard – 2 on General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government are given in the **Annexure 1 to the Notice**.

The letter for appointment of **Mrs. Mudita Chaturvedi** (DIN: 02384403) as Non-Executive Director setting out the terms and conditions would be available for inspection by members at the Registered Office of the Company and is also available on the Company's website at link [AppointmentLetter\\_MuditaChaturvedi01112019\(sunilhealthcare.com\)](http://AppointmentLetter_MuditaChaturvedi01112019(sunilhealthcare.com)).

The resolution seeks the approval of members through special Resolution for the appointment of of **Mrs. Mudita Chaturvedi** (DIN: 02384403) as an Independent Director of the Company commencing from September 28, 2022 up to September 27, 2027 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. She is not liable to retire by rotation. In the opinion of the Board, **Mrs. Mudita Chaturvedi** fulfills the conditions for her appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of **Mrs. Mudita Chaturvedi**, the Board of Directors at its meeting held on July 20, 2022 recommends the appointment of **Mrs. Mudita Chaturvedi** as Independent Director, not liable to retire by rotation, for the approval of the members of the company.

**Mrs. Mudita Chaturvedi**, Non-Executive Director, is concerned or interested in the resolution as set out at Item No. 5 of the Notice, since it relate to her appointment as Independent Director.

None of the other Directors and Key Management Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at **Item No. 5**.

**The Board of Directors recommend the item no. 5 to be passed as Special Resolution by the shareholders.**

### Annexure to the Notice

#### ANNEXURE: 1

**Information on Directors recommended for appointment/re-appointment of Director as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Details required as per Secretarial Standard (SS2) as under:-**

<b>Name of Director</b>	<b>Mr. Sanjay Kumar Kaushik *</b>	<b>Mrs. Mudita Chaturvedi**</b>
<b>DIN</b>	00329013	02384403
<b>Date of Birth /Age</b>	01.01.1969/ 53 years	01.11.1981/ 41 years
<b>Date of Appointment</b>	Director:03.06.2003 Independent Director: 26.09.2014 Non-Executive Director, liable to retire by rotation w.e.f. 28.09.2022	01.1.2019- Non Executive Director 5 years from the date of the 48 <sup>th</sup> AGM (w.e.f.28.09.2022) as Independent Director
<b>No. of share Held in the Company</b>	Nil	Nil
<b>Qualification</b>	B. Com from Rajasthan University	Graduated in Mass Media and Mass Communication from IP College, Delhi University. She did PG Diploma in Mass media and Mass communication from IGNOU.
<b>Brief Resume and Nature of Experience</b>	Mr. Sanjay is a graduate from Rajasthan University and is an expert in his field. He has been working with Kaneeka Trimurti Minerals Pvt. Ltd and Kaushik Chemicals and has a vast experience of more than 23 years in the field of antifungus lotion	Mrs. Mudita was born in India on 1st November 1981 and graduated in Mass Media and Mass Communication from IP College, Delhi University. She did PG Diploma in Mass media and Mass communication from IGNOU.  Mrs. Mudita Chaturvedi works as an Independent media consultant. She had over 21 years of experience in Media Industry with demonstrated experience in anchoring, research and writing, scripting and packaging shows and social media management both in India and the USA.  She is Independent Media consultant for Projects for ICAI and Bhartiya Kala Kendra, Media consultant with PHDCCI, Media consultant and Director to Morris Street Advisors Pvt. Ltd, freelance consultant to TV Asia (New York) and correspondent and News anchor for Zee News (Delhi & New York).  She is also enrolled herself with database of Independent Directors maintained by Institute of Corporate Affairs, Manesar and her registration no. is IDDB-DI-202207-043373.

<b>Directorships held in other public Companies [excluding foreign and private Companies]</b>	Nil	Nil
<b>Memberships / Chairmanships of Audit &amp; Stakeholders Relationship Committees of other Public Companies</b>	Nil Member-Audit Committee Sunil Healthcare Ltd. Member-Stakeholders Relationship Committee of Sunil Healthcare Ltd.	Nil
<b>Inter-se relationship with other Directors</b>	He is not related to any of the existing Directors of the company in any way except himself as Non-Executive and Independent Director in the company.	She is not related to any of the existing Directors of the company in any way except herself as Non-Executive Director in the company.
<b>Terms &amp; Condition of appointment or re-appointment along with detail of remuneration sought to be paid</b>	<ul style="list-style-type: none"> <li>• Appointment as Non-Executive Director, liable to retire by rotation in AGM.</li> <li>• No remuneration will be paid except sitting fees.</li> </ul>	<ul style="list-style-type: none"> <li>• Appointment as Independent Director, not liable to retire by rotation in AGM.</li> <li>• No remuneration will be paid except sitting fees.</li> </ul>
<b>Last Remuneration Drawn</b>	Rs. 8500/- (Sitting Fees) per meeting.	Rs. 8500/- (Sitting Fees) per meeting
<b>No. of Board meeting attended during the year 2021-22</b>	4 meetings were attended	4 meetings were attended

**\*Note: No directors, Key Managerial Personnel's or their relatives are directly or indirectly concerned in the Resolution no. 4 proposing change in designation of Mr. Sanjay Kumar Kaushik to Non-Executive Director, liable to retire by rotation except Mr. Sanjay Kaushik, being appointee as Non-Executive Director.**

**\*\*Note: No directors, Key Managerial Personnel's or their relatives except Mrs. Mudita Chaturvedi, being appointee for position of Director, are directly or indirectly concerned in the Resolution no. 2 and 5 proposing appointment of Mrs. Mudita Chaturvedi.**

**On behalf of the Board  
For SUNIL HEALTHCARE LIMITED**

**ANIL KUMAR KHAITAN  
CHAIRMAN & MANAGING DIRECTOR  
DIN-00759951**

Place – New Delhi  
Dated- July 20, 2022

**Reg. Office:**  
38E/252A, Vijay Tower, Shahpurjat, New Delhi-110049  
CIN No: L24302DL1973PLC189662  
Phone No: +91-11-49435555/00 Fax no 011-43850087  
Email ID: info@sunilhealthcare.com  
Web; www.sunilhealthcare.com



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

**CIN-L24302DL1973PLC189662/Email:-** info@sunilhealthcare.com/**Webiste:** www.sunilhealthcare.com

**Tel:-**+91-11-49435555/00, **Fax;** +91-11-43850087

**BOARD'S REPORT**
**TO THE MEMBERS OF**
**SUNIL HEALTHCARE LIMITED**

Your Directors have great pleasure in presenting the 48<sup>th</sup> Directors Report on the business and operations together with the audited financial statement of your Company for the year ended 31<sup>st</sup> March 2022.

**FINANCIAL RESULTS**
**(₹ in Lacs)**

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operation	11637.29	8988.53	11916.41	9062.00
Other Income	155.42	562.07	167.55	557.89
<b>Total Revenue</b>	<b>11792.71</b>	<b>9550.60</b>	<b>12083.96</b>	<b>9619.89</b>
Total Expenditure including other Expenditure (Excluding Depreciations & Interest)	9856.15	8373.51	10177.88	8533.01
Profit before depreciation and Finance Cost	1936.56	1777.09	1906.08	1086.88
<b>Finance Cost</b>	<b>348.88</b>	<b>530.85</b>	<b>348.88</b>	<b>530.85</b>
Depreciation	630.57	611.30	630.73	611.35
<b>Profit before tax (continued operation)</b>	<b>957.11</b>	<b>34.94</b>	<b>926.47</b>	<b>(55.32)</b>
<b>Less: - Tax Expenses Net (continued operation)</b>	<b>279.43</b>	<b>7.41</b>	<b>284.41</b>	<b>8.47</b>
<b>Profit after Tax from (continued operation)</b>	<b>677.68</b>	<b>27.53</b>	<b>642.06</b>	<b>(63.79)</b>
<b>Profit before Tax (discontinued operation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Less: - Tax Expenses Net (discontinued operation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit after Tax from (discontinued operation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PBT (both continued &amp; discontinued operation)</b>	<b>957.11</b>	<b>34.94</b>	<b>926.47</b>	<b>(55.32)</b>
<b>PAT (both continued &amp; discontinued operation)</b>	<b>677.68</b>	<b>27.53</b>	<b>642.06</b>	<b>(63.79)</b>
<b>Other Comprehensive Income</b>	<b>(5.97)</b>	<b>1.98</b>	<b>(18.36)</b>	<b>(24.29)</b>
<b>Total Comprehensive Income</b>	<b>671.71</b>	<b>29.51</b>	<b>623.76</b>	<b>(88.08)</b>
<b>Earning per Shares (both continued and discontinued operation)</b>	<b>6.61</b>	<b>0.27</b>	<b>6.26</b>	<b>(0.62)</b>

**COMPANY OVERVIEW AND STATE OF COMPANY'S AFFAIRS**

The Directors of the Company are glad to inform you that your company is the leading Hard shell capsule manufacturer in India and Pioneer in double lock and triple lock technology for capsules in India. The Company had started production of HPMC Capsule in August 2018 and in short span of time the sales brought in from HPMC have led to better performance.

Your company also have Global Presence with Subsidiaries in USA and Mexico during the year. The company is WHO-GMP certified Company and has also been recognized as "Star Export House" by GOI. The management is optimistic about the future outlook of the company in short, medium and long-term.

The Plant of your company is located at Alwar which is easily accessible by air, road and rail. Indira Gandhi International Airport is the nearest Airport located at a distance of 163 kms. It is also connected well by roads to some major cities of Rajasthan like Jaipur.

The Company deals in Business segment of Manufacturing Empty Hard Capsule Shells and the choice in nine size available are 00, 0SEL, 0EL, 0,1,2,3, 4, 5. The company has increased its installed capacity from **13 billion to 15 billion** capsules at the existing facility in financial year 2021-22. The company enjoys immense credibility in various Global Market. The management of the company Continued focus on achieving cost optimization and yield improvements through Economies of Scale. The company also renewed interest in the business with an aim to become the one of the leading Hard Shell Capsule manufacturer in the world.

#### **IMPACT OF COVID-19 PANDEMIC ON OPERATION OF THE COMPANY**

FY 20 also saw the onset of Covid-19 Pandemic at the closing stages of the Financial Year in India and still in FY 21, financial year 22 and starting of financial year 2023, India and most part of world are in third and fourth waves of the Covid-19 pandemic, caused much loss of life and economy.

Challenges of inclement Raw material pricing, coupled with increase in logistics cost due to increase fuel price in due to Covid-19 and recent war which is going on between Russia and Ukraine, demand side uncertainty is a deterrent on the earnings of the Company, however, the company has taken various steps to curb the cost and make its product more qualitative, affordable and competitive.

The physical and emotional wellbeing of employees of the company continues to be a top priority for your Company, the Company has taken several initiatives to support employees and their families during this difficult phase of pandemic

The Company has attempted to mitigate the impact of this pandemic on its Operations through strict adoption of the prescribed Health and Safety Guidelines of the Honourable State and Central Governments. Work from home facilities have been provided to team members as per the recommendations of the Authorities. At the Plant level, Operations have been undertaken keeping all requisite considerations of Health and Safety at the forefront.

#### **FINANCIAL PERFORMANCE:**

During the F.Y. 2021-22 (standalone) the Company had reported Turnover/Revenue from operation of ₹ **11637.29** lakhs as against ₹ **8988.53** Lakhs in the F.Y. 2020-21. Turnover/Revenue from operation was Increased by 29.88%, Profit before depreciation and Finance Cost increased by 64.52%, Profit before Tax increased by 2639.30% , Profit after Tax increased by 2361.61 % and other comprehensive Income (OCI) decreased by 401.52% as compared to financial year 2020-21.

During the F.Y. 2021-22, the Company had reported on a consolidated basis, the total revenue from the operation is ₹ **11916.41** Lakhs, Profit before depreciation and Finance Cost is ₹ **1906.08** Lakhs, Profit (Loss) before tax is ₹ 926.47 Lakhs and Profit after Tax is ₹ 642.06Lakh and other Comprehensive Income is ₹ (18.36)Lakhs.

The Management of the Company is committed to improve the performance in the coming year to achieve better production, sales and profit by using the optimum product mix and explore new avenue to achieve overall growth of the Company. Further there is no change in the nature of the business of the company.

#### **FOREIGN WHOLLY OWNED SUBSIDIARY AND SUBSIDIARY OF THE COMPANY**

During the year the company had Wholly Owned Subsidiary namely "Sunil Healthcare North America LLC" in the United States of America, which was registered on 26<sup>th</sup> July, 2016 and a subsidiary namely "**Sunil Healthcare Mexico SA DE CV**" in the city of San Luis Postosi, Mexico, United Mexican States, which was registered on 1<sup>st</sup> February, 2017.

#### **DETAILS OF SUBSIDIARIES PERFORMANCES**

Pursuant to the provision of Section 129 (3) of the Companies Act 2013, a statement containing salient features of financial statement of subsidiaries in **FORM AOC-1** is attached herewith and marked **Annexure A**. In accordance with section 136 of Companies Act 2013, the separate financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the registered office of the Company during working hours for period of 21 days before the date of Annual General Meeting. Your Company will also make available these documents upon request by any member of the Company interested in obtaining the same.

**EXPANSION OF THE PROJECT**

The Company has its production capacity of manufacturing of Empty Hard Capsule shell of 13 billion p.a. since financial year 2017-18. During the year 2021-22, the Production Capacity of manufacturing of Empty Hard Capsule shell increased to 15.00 billion p.a.

**TRANSFER TO RESERVE**

During the year the Company did not transfer any amount in Reserve.

**DIVIDEND**

With a view to finance expansion from internal accrual for the growth of the Company, the Directors of the Company did not recommend any dividend for the year ended March 31, 2022.

**SHARE CAPITAL**

During the year under review the Company has authorised capital of ₹ 17,00,00,000/- divided into 1,08,00,000 (One Crore Eight Lakhs) equity shares of ₹ 10/- (Rupees Ten) each and 620000 (Six lakhs and twenty thousands) Redeemable Non-cumulative and Non-participatory preference Shares of ₹100/- (Rupees Hundred) each.

The paid up Share Capital of the Company as on March 31, 2022 was ₹ 16,07,97,500 divided into ₹ 10,25,47,500 Equity share capital and ₹ 5,82,50,000 of 0.01% Redeemable Non-cumulative and Non-participatory preference Shares (RPS).

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:****CESSATION**

Pursuant to Provisions of Section 152 of the Companies Act, 2013 Mr. Krishna Venkatachalam Rajan, Non-Executive Director ((DIN: 02777067), retired as Non-Executive Director and, being eligible, offers himself, was re-appointed as Non-Executive Director.

Except above, during the financial year 2021-22, no Directors/KMPs retired or ceased their office.

**APPOINTMENT/ RE-APPOINTMENT**

Pursuant to Provision of Section 149 and Section 152 read with Schedule IV and other applicable provisions, if any, the re-appointment of Mr. Rakesh Mohan as Independent Director (DIN: 07352915) was approved through Special Resolution by the shareholders in its 47<sup>th</sup> Annual General Meeting held on September 28, 2021 for another period of 5 years starting from November 2021 upto November 10, 2026, not liable to retire by rotation.

Pursuant to provisions of section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 read with rules made thereunder, Re-appointment of Mr. Anil Kumar Khaitan, Chairman and Managing Director (DIN: 00759951), subject to approval via Special Resolution by Shareholders in General Meeting) for a period of 5 years from 01.04.2022 to 31.03.2027, was approved by the Board of Directors in its meeting held on January 31, 2022.

Pursuant to the provisions of Section 152 of Companies Act 2013 Mrs. Mudita Chaturvedi (DIN: 02384403, Non-Executive Director, is liable to retire by rotation at ensuing 48th Annual General Meeting, and, being eligible, offered herself for re-appointment. The Board in its meeting held on May 06, 2022 has recommended her re-appointment.

**DECLARATION BY INDEPENDENT DIRECTORS**

During the reporting period, pursuant to the provisions of Section 149(7) of the Companies Act, 2013, all Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

**NUMBER OF MEETING OF BOARD OF DIRECTORS**

During the Financial Year 2021-22, the Board of Directors met out four times on 15.06.2021 21.07.2021, 27.10.2021 and 31.01.2022. The details of attendance of each director at the Board Meeting are provided in the Corporate Governance Report in **Annexure-G**, which is part of Annual Report.

**MEETING AND COMPOSITION OF COMMITTEES OF THE BOARD**

The details of meetings, composition and attendance of each member of the committee at the committee meetings are provided in the Corporate Governance Report in **Annexure-G**, which is part of the Annual Report.

During the year all the recommendations made by the Audit Committee were accepted by the Board

**AUDITOR AND AUDITOR'S REPORT****STATUTORY AUDITOR**

M/s. JKVS & Company (formerly known as M/s. Jitendra Kr. Agarwal & Associates), Chartered Accountants (registration No. 318086E), was appointed as Statutory Auditor of the company by the shareholders for a period of five years starting from conclusion of 43rd Annual General Meeting, which was held on September 26, 2017 till the 48th AGM to be held in the year 2022. Since the tenure of M/s. JKVS & Company will expire in the 48th Annual General Meeting, Therefore, the appointment of M/s. Singhi & Co., Chartered Accountants, New Delhi as statutory Auditors having Firm registration no. 302049E was recommended to the shareholders in the ensuing 48th Annual General meeting by the Board of Directors in its meeting held on 06.05.2022.

M/s. Singhi & Co. has been in the profession for over 80 years and is one of the well reputed audit firm in the country. They provide varied services which include assurance, risk advisory, taxation, corporate finance etc. They serve multiple listed companies and have tremendous experience in the field of audit. Singhi & Co. has 26 partners with 8 offices across the country. They are Indian members of Moore Global network.

No material changes are there in terms and conditions and remuneration of proposed appointee and outgoing Auditors.

**AUDITOR'S REPORT**

The Auditors' Report on standalone and consolidated financial statements for the year 2021-22 forming part of the Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

**SECRETARIAL AUDIT**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s ATCS & Associates, Company Secretaries, Jaipur as Secretarial Auditors of the Company for financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith and marked as **Annexure B** to this Report. The Secretarial Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. The Board in its meeting held on May 06, 2022 has appointed M/s ATCS & Associates, Practicing Company Secretary, Jaipur as Secretarial Auditor of the Company for the financial year 2022-23.

**COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the maintenance of cost audit records is not applicable on the Company.

**INTERNAL AUDITOR**

Pursuant to Section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, the Internal Audit Records maintained by the Company.

During the year 2021-22, the Board has appointed Agarwal S. Lal & Co., Chartered Accountants as Internal Auditors to undertake the Internal Audit of the Company.

Further, the appointment of M/s. Agarwal S. Lal & Co., Chartered Accountants as Internal Auditors for financial year 2022-23 was approved by the Board upon the recommendation of the Audit Committee upon such terms and conditions as mutually agreed, in its meeting held on 06.05.2022.

**ANNUAL RETURN**

The Annual Return for Financial year 2020-21 can be accessed at [5565AnnualReturn-MGT-7\\_2020-21-Final-30102021-SHLupload.pdf](https://www.sunilhealthcare.com/5565AnnualReturn-MGT-7_2020-21-Final-30102021-SHLupload.pdf) ([sunilhealthcare.com](https://www.sunilhealthcare.com)).

The draft Annual Return for financial Year 2021-22 can be accessed at <https://www.sunilhealthcare.com/annual-return-mgt>

**FRAUD REPORTING**

There were no frauds found which have been reported to the Audit Committee / Board members as well as to the Central Government.

**PARTICULARS OF RELATED PARTY TRANSACTIONS**

All the related party transactions which were repetitive in nature, entered on arm's length basis in the ordinary course of business and compliance with Section 188 (1) of the Companies Act 2013 read with rules made there under, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Law. During the year under review, no related party transaction as referred under Section 188 of the Companies Act, 2013 were entered except the transaction on an arm's length basis and in the ordinary course of business. Particulars of all such contracts and arrangements with Related Parties are given in the prescribed **Form AOC-2** as appended as **Annexure C** to this Report, Further Complete Disclosures of all related party transactions are **given in Note no. 37** to Notes to Financial Statements as per the provisions of IND-As 24. There was no related party transaction which is in conflict with the interest of the Company. The policy on the Related Party Transaction are available on the website of the Company at link [https://www.sunilhealthcare.com/uploads/filemanager/2802Related%20Party%20Transaction%20Policy\\_30052019.pdf](https://www.sunilhealthcare.com/uploads/filemanager/2802Related%20Party%20Transaction%20Policy_30052019.pdf)

During the year the Company did not enter with transactions with any person or entity belonging to the promoter/ promoter group, which hold(s) 20% or more shareholding in the company.

**PARTICULARS OF EMPLOYEES:**

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as Amendment from time to time appended as **Annexure D** to this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE****EARNINGS & OUTGO:**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in a separate statement given in the **Annexure 'E'** forming part of this report.

**INSURANCE AND RISK MANAGEMENT**

During the Financial Year 2021-22, the assets of the Company were adequately insured against the loss of fire and earthquake. In addition to this coverage, a statutory public liability insurance policy has been taken to cover by Company for providing against the public liability arising out of industrial accident for employees working in plant. The provision of Risk Management under Regulation 21 (5) of the SEBI (Listing Obligation & Disclosure Requirement), Regulation, 2015, is not applicable on the Company but the Company has voluntarily constituted a Risk Management Committee.

The Risk Management Committee consist three members' as on March 31, 2022 viz. Mr. Rakesh Mohan, Chairman, Mr. Sanjay Kaushik, Member, and Mr. Harish Pal Kumar, Member. The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. There are no risks which in the opinion of the Board threaten the existence of the Company. Risk factors and its mitigation are covered extensively in the **Management Discussion and Analysis Report forming part of this Board's Report**.

**CORPORATE SOCIAL RESPONSIBILITY**

The main objective of the Company's CSR policy is to lay down guidelines for the Company to make CSR a business process for sustainable development of the society at large. It aims to enhance and implement the society welfare measures by the Company in a well structural manner on short and long term basis with a vision of making Sunil Healthcare Limited to act as

Good Corporate Citizen. CSR is an evolving concept at Sunil Healthcare Limited, it's been there since incorporation, we have promised to ourselves to take up the responsibility of ensuring a healthy ecosystem. SHL's CSR program is anchored on the continuing commitment to improve the quality of living conditions and opportunities for the differently able without regard to their faith, origin or gender. The composition and terms of reference of the CSR Committee are given in the Corporate Governance Report. The details of CSR Policy of the Company also available on the website of the Company at web [https://www.sunilhealthcare.com/uploads/filemanager/3496CSRPolicy\\_13082018.pdf](https://www.sunilhealthcare.com/uploads/filemanager/3496CSRPolicy_13082018.pdf). The Annual Report on CSR Activities is appended as **Annexure F** to this Board's Report.

### **CORPORATE GOVERNANCE**

In terms of Regulation 34 and other applicable regulation of SEBI (LODR) Regulations, 2015, a report on Corporate Governance along with Statutory Auditors' Certificate as required by the Listing Regulation confirming its compliance with the corporate governance requirement are appended as **Annexure G** to this Board's Report.

### **WHISTLE BLOWER POLICY/ VISIL MECHANISM**

During the year there was no case filed under this policy. The details of this Policy are stated in the Corporate Governance Report and also available on the website of the Company at web link [Microsoft Word - WHISTLE BLOWER POLICY\\_4.docx \(sunilhealthcare.com\)](#).

### **DISCLOSURE UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a **Policy on prohibition of Sexual harassment of employees** in the Company in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Composition of SHL's Internal Complaint Committee (ICC):** The ICC was reconstituted with effect from 02.11.2018. As on March 31, 2022 the Composition of ICC was as under

1. Mrs. Rekha Gupta - Presiding officer
2. Mr. Suresh Yadav- Member
3. Mr. Vijay Kumar Puniyani- Independent Member
4. Mrs. Anita Kaul- Member

**ICC's Report on the complaints** from January 01, 2021 to December 31, 2021:

- a) Number of complaint received during year : NIL
- b) Number of complaint disposed off : NIL
- c) Number of cases pending for more than 90 days: NIL
- d) Number of workshop or training programme organized against sexual harassment: 1 (26.03.2021)
- e) Nature of action taken, if any, by the Company : NOT APPLICABLE

The **Policy on Prohibition of Sexual harassment of employees** is available on the website of the Company at link [https://www.sunilhealthcare.com/uploads/filemanager/2884PreventionOf%20SEXUAL%20HARRASMENT%20POLICY02112018%20\(1\).pdf](https://www.sunilhealthcare.com/uploads/filemanager/2884PreventionOf%20SEXUAL%20HARRASMENT%20POLICY02112018%20(1).pdf).

### **NOMINATION & REMUNERATION POLICY**

The Nomination & Remuneration Committee of the Company formulated a criteria's for determining qualifications, positive attributes and independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013 and recommended to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees. The brief of Nomination & Remuneration Policy is stated in the Corporate Governance Report in **Annexure-H** and also full Nomination & Remuneration policy is available on the website of the Company at link <https://www.sunilhealthcare.com/uploads/filemanager/8333NOMINATION%20AND%20REMUNERATION%20POLICY-130820018.pdf>

**PERFORMANCE EVALUATION OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration and other committees as per the Board Evaluation policy, which is available at website of the company at web link <https://www.sunilhealthcare.com/uploads/filemanager/5816q-8.pdf>. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors

The outcome of the Board Evaluation for Financial year 2020-21, which was carried out in financial year 2021-22 was as under:

**(i) All Non-Independent Directors**

Mr. Anil Kumar Khaitan: 3.4 (Exceeds Expectation), Mr. K.V. Rajan 3.5(meets expectation) and Mrs. Mudita Chaturvedi: 3.5 (meets expectation).

**(ii) Independent Directors**

Mr. Harish Pal Kumar: 3.83 (Exceeds Expectation) - Part A & B, Mr. Rakesh Mohan: 4.0(Exceeds expectation)- Part A & 3.83 (exceeds expectation) - Part B, Mr. Sanjay Kumar Kaushik: 3.5(meets expectation)-Part A& B, Mr. Bejon Misra: 3.67 (exceeds Expectation) - Part A & B.

**(iii) The Chairman and Managing Director.**

The results of the Evaluation of The Chairman and Managing Director was 4.00 (Exceeds Expectation).

**(iv) The Board as whole.**

The results of the Evaluation of performance of the Board as whole was 3.86 (Exceeds Expectation)

**(v) The Audit Committee and Nomination and Remuneration Committee.**

The result of the evaluation of performance of the Audit Committee and Nomination and Remuneration Committee were 3.86 (Exceeds Expectation).

The Board Evaluation of Financial year 2021-22 will be carried on in financial year 2022-23.

**INDEPENDENT DIRECTOR'S MEETING**

During the year under review, one meeting of the Independent Directors of your Company was held on 31.01.2022 without the presence of any member of Management. The Meeting are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), review the performance of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**INTERNAL FINANCIAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS**

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorisation of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.



The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

#### **PUBLIC DEPOSIT**

Your Company has not accepted any public deposit within the meaning of provisions of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding deposit due for repayment.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. Further the Company had invested in its subsidiaries viz. Sunil Healthcare Mexico SA.De. CV. 2,999 Equity Shares (2,999 shares of MXP1) Sunil Healthcare North America LLC 2,000 Equity Shares of US\$10/- each and Investment in Mutual Fund was ₹ 103.27 Lakhs. Total value of Unquoted Investment as on March 31, 2022 was ₹ 116.28 lakhs.

#### **SIGNIFICANT MATERIAL CHANGES AFTER BALANCE SHEET DATE AFFECTING FINANCIAL POSITION**

There are no change and commitments which affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate i.e. 31.03.2022 and the date of report 06.05.2022.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Section 124 and 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting, audit, Transfer and Refund), Rule, 2016 ("The Rules") unpaid/unclaimed dividend are required to be transferred by the Company to **Investor Education & Protection fund (The IEPF)** established by the Central Government after the completion of seven years. Further according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. However, the company did not declare dividend after 2008-09. The Company has transferred the unpaid or unclaimed dividend for the financial year 1999-2000 to 2008-09 as per the relevant provision of the Companies Act 2013. Thereafter, The Company did not declare any dividends. Further, those shareholders, whose dividends were transferred in IEPF Account may still claim refund by filing refund application in form IEPF-5, after filing form printout of the same to be submitted alongwith indemnity bond, acknowledgment, self-attested form and other necessary documents as mentioned in detailed procedures for claiming refund at IEPF portal <http://www.iepf.gov.in/IEPF/refund.html>, for verification purpose to the Mr. Santosh Kumar Sharma, Company Secretary, The Nodal Officer, Vijay Tower, 38E/252-A, Shahpur Jat, Panchsheel Park Commercial Complex, New Delhi-110049, contact no. 011-49435555. The details of unpaid dividend are provided on our website at [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

#### **SECRETARIAL STANDARD**

During the reporting period 2021-22, your Company has complied with the Secretarial Standard 1 and 2 issued by the Institute of Companies Secretaries of India, which were made applicable with effect from 01.07.2015 and amended from time to time.

**CREDIT RATING:** The details of credit rating assigned by CARE Ratings Limited, credit rating agency during the financial year 2021-22 are as under:

<b>S. No.</b>	<b>Facilities/instruments</b>	<b>Amount (Rs. Crores)</b>	<b>Rating</b>	<b>Rating Action</b>
1.	Long-term Bank facilities	31.28	CARE BBB- Stable, Negative (Triple B minus), Outlook: stable)	<b>Reaffirmed, Outlook revised from Negative to stable</b>
2.	Short- term Bank facilities	18.35	CARE A3 (A Three)	Reaffirmed
<b>Total facilities</b>		<b>49.63 ( Rupees forty nine crores and sixty three lakhs only)</b>		

**Note:**

- During the financial year 2021-22, the company did not issue any securities, deposit, and commercial papers etc. which require credit rating by credit rating agency.

**LISTING AND CONFIRMATION OF FEE**

The securities of your Company are listed at The Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange (CSE). The Annual Listing fees to BSE, CSE for the financial year 2022-23 were paid on April 29, 2022. and Annual Custodian fees will be paid within due date.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that During Financial year 2021-22:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith the proper explanation relating to material departures.
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the that period.
- III. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The directors had prepared the annual accounts on a going concern basis.
- V. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**STATUTORY DISCLOSURES:**

During the reporting Financial Year 2021-22, your Directors state that there being no transactions were done with respect to the following items, hence, no disclosure or reporting is required:

1. Deposits from public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of Equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to the Employees of your company under any scheme.
4. The Managing Director of your company did not receive any remuneration or commission from any of the subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
6. Buy Back of shares.
7. The Company has neither filed any application under the Insolvency and Bankruptcy Code, 2016 (31 Of 2016), as amended from time to time, nor has availed one time settlement with respect to any loans from banks or financial institutions.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of Provision of Regulation 34 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and in compliance of the provision of Companies Act -2013 a Management Discussion and Analysis Report is appended to this report.

**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.

**RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT**

Having regard to the provisions of the first proviso to Section 136(1) of the Act read with the **MCA circular no. 02/2022 dated May 05, 2022/2021 dated January 13, 2021, 20/2020 dated May 05, 2020** read together with circular no. 14/2020 dated April 08, 2020, circular no. 17/2020 dated April 13, 2020 and circular no. 22/2020 dated June 15, 2020 and **Circular no. SEBI/HO/CFD/CMD 2/CIR/P/2021/11 dated January 15, 2021** and **SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020** and any other circular be issued from time to time by the Securities Exchange Board of India, the Annual Report for financial year 2020-21 and other communications is being sent only to those members, whose email id are registered with the Company/ RTA/Depositories on cutoff date for sending notice of AGM through electronic mode only. The Member may note that no printed Annual Report for financial year 2021-22 would be issued except requested specifically.

The Members who had joined the Company as member after cut off date for sending notice to members till 7 days prior to date of Meeting) may write to [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com), [rta@sunilhealthcare.com](mailto:rta@sunilhealthcare.com) or [lalitap@alankit.com](mailto:lalitap@alankit.com).

The Members may note that the Notice of the 48<sup>th</sup> AGM alongwith the Annual Report for financial year 2021-22 will also be available on the Company's website at [www.sunilhealthcare.com](http://www.sunilhealthcare.com), website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com) on the website of the E-voting and Video conferencing Agency.

**CAUTIONARY STATEMENT**

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

**ACKNOWLEDGEMENTS:**

Your Board place on record their appreciation for the overwhelming co-operation and assistance received from the Company's esteemed Shareholders, valued Customers, Suppliers, Business Associates, Bankers, Vendors, various Financial Institutions, the State and Central Government Bodies, Auditors and Legal Advisors for their valuable contribution and continued support and to all the persons who reposed faith and trust in Company.

Your Board also place on record their appreciation to 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.

**On the behalf of Board**

**Anil Khaitan**  
**Chairman cum Managing Director & CEO**  
DIN-00759951  
Place – New Delhi  
Dated- 06<sup>th</sup> May, 2022

**Reg. Office:**

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

CIN No: L24302DL1973PLC189662  
Phone No: +91-11-49435555/00  
Fax no 011-43850087  
Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)  
Web: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

**ANNEXURE A TO THE BOARD'S REPORT**
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**
**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Sunil Healthcare North America LLC	Sunil Healthcare Mexico SA DE CV
	The date since when subsidiary was acquired	26/07/2016	01/02/2017
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> January 2021 to 31 <sup>st</sup> December 2021
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US Dollars Exchange Rate as on 31/3/2022 – 1 USD = Rs. 75.81	Mexican Pesos Exchange Rate as on 31/3/2022 – 1 Mexican Pesos = Rs. 3.81
	Share capital	Rs. 12.91 Lakhs	Rs. 0.10 Lakhs
	Reserves & surplus	(Rs.226.72 Lakhs)	(Rs. 94.06 Lakhs)
	Total assets	Rs. 33.38 Lakhs	Rs. 640.62 Lakhs
	Total Liabilities	Rs. 247.20 Lakhs	Rs. 734.58 Lakhs
	Investments	NIL	NIL
	Turnover	Rs. Nil Lakhs	Rs. 546.16 Lakhs
	Profit before taxation <sup>1</sup>	(Rs. 4.70 Lakhs)	Rs. 3.09 Lakhs
	Provision for taxation	(Rs. 2.01 Lakhs)	(Rs. 2.96 Lakhs)
	Profit after taxation	(Rs. 6.71 Lakhs)	Rs. 0.13 Lakhs
	Proposed Dividend	NIL	NIL
	Extent of shareholding (In percentage)	100%	99.97%

**Notes:**

1. Profit before Taxation is as per the Financial Statement prepared by the Holding Company for the purpose of consolidation of Financial Statement.
2. None of the Subsidiary has been sold or liquidated during the year.

**On Behalf of the Director of**

**Anil Kumar Khaitan**  
**Chairman cum Managing Director**  
**DIN-00759951**  
Date: 06/05/2022  
Place: New Delhi

**Harish Pal Kumar**  
**Director, Chairman & Audit**  
**Committee**  
**DIN-01826010**

**ANNEXURE-B****FORM NO. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2022*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

**SUNIL HEALTHCARE LIMITED**

38E/252A, Vijay Tower,

Shahpurjat,

New Delhi- 110049

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sunil Healthcare Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Sunil Healthcare Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sunil Healthcare Limited** for the financial year ended on **31<sup>st</sup> March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (repealed w.e.f. 15<sup>th</sup> May, 2015)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- (vi) The other specific laws applicable to the company are:
- (a) Petroleum & Explosive Act
  - (b) Drugs & Cosmetic Act.
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and Calcutta Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has two legal cases pending in the court of Law.

This report is to be read with our letter of even date which is annexed as **ANNEXURE 'A'** and forms an integral part of this report.

**FOR ATCS & ASSOCIATES**  
**Practicing Company Secretaries**  
**UDIN: F005749D000280091**

**Tara Chand Sharma**  
**[Partner]**

**FCS No. 5749**  
**C P No.: 4078**

**Place : Jaipur**  
**Date : 06.05.2022**

**ANNEXURE 'A'**

To,

The Members

SUNIL HEALTHCARE LIMITED

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.
5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR ATCS & ASSOCIATES**  
**Practicing Company Secretaries**  
**UDIN: F005749D000280091**

**Tara Chand Sharma**  
**[Partner]**  
**FCS No. 5749**  
**C P No.: 4078**

**Place : Jaipur**  
**Date : 06.05.2022**



**ANNEXURE C OF THE BOARD REPORT**
**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**I Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No	Particulars	Mrs. Sarita Khaitan	Mr. Ishan Khaitan	Mr. Kahaan Khaitan	Mrs. Aanchal Khaitan
1	Name(s) of the related party and nature of relationship	Wife of Mr. Anil Khaitan (CMD)	Son of Mr. Anil Khaitan (CMD)	Son of Mr. Anil Khaitan (CMD)	Daughter- In-Law of Mr. Anil Khaitan (CMD)
2	Nature of contracts/ arrangements/transactions	Remuneration and Agreement of Guest House for Company Purpose	Remuneration	Remuneration	Remuneration
3	Duration of the contracts / arrangements/transactions	Ongoing	Ongoing	Ongoing	Ongoing
4	Salient terms of the contracts or arrangements or transactions including the value, if any:	1- Appointment as Chief Strategis Officer on 01.04.2011 at a monthly remuneration of Rs 1,17,625/- plus perquisites per month as applicable as per rules of the Company and ammended time to time. (2) Agreement of Guest House for the Company Purpsoe @ Rs. 1, 12,100/- per month (Rs.1,12,100 per month towards rent 95000 towards Repair & Maintenance ), the revision in Maximum rent upto Rs. 2,50,000/- per month (both for Lease rent of Guest house and Maintenance Charge) approved by Audit Committee in its meeting held on February 13, 2020 Execution of Agreement for Guest House for the Company purpose w.e.f. 30.06.2020 for a period of 5 years at monthly rent of Maxium Rs. 2,50,000/- (in supersession to all earlier Agreement of Guest House) approved by the Audit Committee and Board of Directors in its meeting held on July 25, 2020.	Appointment as President Opretaion & Marketing on 01.04.2010 at a monthly remuneration of Rs 47,650/- (at present Rs. 1,22,000/- ) plus perquisites per month as applicable as per rules of the Company and ammended time to time	Appointment as Manager Business Process (at Present President Procurement ) on 01.05.2013 at a monthly remuneration of Rs 23,875/- (at present Rs. 1,22,000/- ) plus perquisites per month as applicable as per rules of the Company and ammended time to time	Appointment as Manager Business Development on 01.04.2013 at a monthly remuneration of Rs 23,875/- plus perquisites per month as applicable as per rules of the Company and ammended time to time
5	Date(s) of approval by the Board, if any	1. 06.08.2011 2. 11.02.2015 3. 13.02.02019(ACM) 4. 13.02.2020 (ACM) 5. 25.07.2020 (BM)	29.05.2010 first approval and last ammended on 11.05.2013	11.05.2013 first approval and last ammended on 15.06.2021.	11.05.2013
6	Amount paid as advances, if any:	NIL	NIL	NIL	NIL

**Note**

1 Details of material contracts or arrangement or transactions not at arm's length basis: N.A

On behalf of the Board

Anil Kumar Khaitan  
Chairman cum Managing Director  
Din-00759951

Place :- New Delhi  
Dated -06.05.2022

**PART A ANNEXURE D OF THE BOARD REPORT**

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22 are as under:

S. NO.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2021-22 (in Rupees)	% increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director, KMP to median remuneration of employees
1	Mr. Anil Khaitan, Chairman cum Managing Director & CEO	3009604	Nil	11.99
2	Mr. Pawan Rathi, Chief Financial Officer	3356101	Nil	13.37
3	Mr. Santosh Kumar Sharma AGM Legal cum Company Secretary	2063536	Nil	8.22

**Note 1**

- For calculation of ratio of salary of Director and KMP with median salary of employees, Annual CTC was considered (In CTC Gratuity is also included and Car/Entertainment/Gas Reimbursement were excluded from CTC).

**Note 2**

- The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions of the companies act 2013. The details of sitting fees paid to Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage in increase of remuneration for Non-Executive Directors is not applicable in our the above purpose.
- the median was calculated on the Annual CTC Basis. (In CTC Gratuity is also included, and Car/Entertainment/Gas Reimbursement were excluded).
- The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 2,51,069 and in the financial year 2020-21 was Rs.1,76,647.
- The percentage increase in the median remuneration of the employees in the Financial Year 2021-22 was 42.13% and in Financial year 2020-21 was (48.71) %
- There were 201 permanent employees on the rolls of Company as on March 31, 2022 and 225 permanent employees on the roll as on March 31, 2021;
- Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 15.26%**, whereas there is no increase in the remuneration of managerial personnel for the same financial year.
- The key parameters for the variable component of remuneration availed by the directors :-** The remuneration was paid to the non-executive directors by way of sitting fees for attending the board meeting and committee meeting of the company. The boards of directors of the company are regularly reviewing and evaluating the performance of the each Directors, Key Managerial personnel of the company as per the Nomination & Remuneration Policy of Company for the members of board and key managerial personnel and senior management personnel.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**PART -B**  
**DETAIL OF NAMES OF THE TOP TEN EMPLOYEES OF THE COMPANIES IN TERMS OF REMUNERATION DRAWN IN FY 2021-22**  
(As per rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and Amendment Rules, 2016

Name of the Employee	Designation of Employee	Remuneration Received (Gross Annually) *	nature of employment, whether contractual or otherwise	qualifications and experience of the employee	date of commencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1 Mr. Santosh Deshpande	Sr. Vice President & Plant Head	3,513,443.00	Permanent	B. Pharma and More than 35 years rich experience.	01.02.2016	60 years	Universal Medicare Private Limited	Nil	Nil
2 Mr. Sanjay Kumar Tiwari	GM- Marketing	3,410,056.00	Permanent	MBA - Marketing and more than 25 years of Experience	04.03.2004	51 years	Pamwi Tissue Limited	0	Nil
3 Mr. Pawan Rathi	Chief Financial Officer	3,356,101.00	Permanent	F.C.A. B.com (H) 22 years experience in Accounts and Finance	01.11.2011	49 years	Saru International Pvt. Ltd.	0	Nil
4 Mr. Anil Kumar Khaitan	Chairman cum Managing Director	3,009,604.00	Permanent	MBA from IMI, Geneva and more than 45 years rich experience	31.10.1984	66 years	Not applicable	Equity share 57.95%, Preference share 48.50%	Nil
5 Mr. Ishan Khaitan	President Operation & Marketing	2,963,716.00	Permanent	Bachelor of Science (Industrial Engineering) from University of Illinois at Urbana Champaign and more than 10 years experience	01.04.2010	35 years	Not applicable	Nil	Mr. Anil Khaitan
6 Mr. Kahaan Khaitan	President-Procurement	2,963,716.00	Permanent	Graduated from Babson in "Business Administration" and more than 8 year experience	01.05.2013	32 years	Not applicable	Nil	Mr. Anil Khaitan
7 Mrs. Sarita Khaitan	Chief Strategic Officer	2,798,656.00	Permanent	B.A (H) English	01.04.2011	65 years	Not applicable	0	Mr. Anil Khaitan
8 Mr. Shiv Kumar Singh	GM-ENGG	2,590,869.00	Permanent	B.TECH, MBA and More than 29 years of Experience	07-10-2013	43 Years	Vitalife Laboratories (unit of Arch pharma labs LTD).	Nil	Nil
9 Bipin Nambiar	GM-Sales-Regulated Market	2,247,946.00	Permanent	BA from St. Francis college, MBA-Marketing from NIBM 26 years of experience	1/22/2018	47 years	The National Detergent Co. SAOC (NDC), Oman as Global Head-BD	Nil	Nil
10 Mr. Suresh Kumar	GM-HR & ADMIN.	2,191,531.00	Permanent	MBA, LLB & PHD	12/12/2011	46 years	Manuti Weldt, Gurgaon	Nil	Nil

Note\* While calculating CTC, Car/Entertainment/Gas Reimbursement were excluded

## ANNEXURE 'E' TO BOARD REPORT

### 1 Conservation of Energy

#### (a) Energy Conservation measures taken.

Energy Conservation continues to receive due emphasis and is systematically monitored. Special attention is given on creating awareness about conservation of energy in all areas of productivity.

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

The Company continues to explore measures which will help in conservation and saving of energy including monitoring of consumptions and improved operational methods.

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

The implementation of measures adopted for energy conservation has resulted in containing energy cost.

### 2 Technology Absorption:

#### A Research & development (R&D)

- |     |  |  |
|-----|--|--|
| (a) | Specified area in which R&D carried out by the Company | Continuous efforts made to improve the process                           |
| (b) | Benefits derived as a result of the above R & D        | Improvement in quality and production efficiency                         |
| (c) | Future Plan of action                                  | Continuous efforts will be done to improve the process and productivity. |
| (d) | Expenditure in R & D                                   |  |
|     | I) Capital   | Debited to the respective heads of accounts                              |
|     | II) Recurring  |  |
|     | III) Total   |  |
|     | IV) R&D expenditure as a % of total turnover           |  |

#### B Technology Absorption, Adaptation & Innovation :

- |     |   |  |
|-----|---|--|
| (a) | Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation  | Not Applicable   |
| (b) | Benefits derived as a result of the above efforts   | Not Applicable   |
| (c) | In case of Imported Technology( Imported during the last five years) reckoned from the beginning of the financial year. | The Company has not purchased or got any technology from abroad during the year. |
|     | 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   |

### 3 Foreign Exchange Earnings & Outgo:

A	Activities relaing 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		2021-22	2020-21
(a)	Used	Rs. in Lakhs	2607.61	1020.11
(b)	Earned	Rs. in Lakhs	2321.37	2130.68

**SUNIL HEALTHCARE LIMITED****Regd. Office:** 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049**CIN-L24302DL1973PLC189662/Email:-** info@sunilhealthcare.com/**Webiste:** www.sunilhealthcare.com**Tel:-**+91-11-49435555/00, **Fax;** +91-11-43850087**ANNEXURE - F TO THE BOARD'S REPORT****Annual Report on CSR Activities****[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]****1. Brief outline on CSR Policy of the Company, including overview of projects or programs proposed to be undertaken.**

The main objective of the CSR policy is to lay down guidelines for the Company to make CSR a business process for sustainable development of the society at large. It aims to enhance and implement the society welfare measures by the Company in a well structural manner on short and long term basis with a vision of making SHL to act as Good Corporate Citizen. CSR is an evolving concept at SHL, it's been there since incorporation, we have promised to ourselves to take up the responsibility of ensuring a healthy ecosystem. SHL's CSR program is anchored on the continuing commitment to improve the quality of living conditions and opportunities for the differently abled without regard to their faith, origin or gender.

Your Company has been actively contributing to the overall growth of the society through various CSR initiatives undertaken either by itself and through "International Centre for Women and Child" which is registered under Societies Registration Act 1860. The flagship program to build-up the toilets in the District of Alwar, Rajasthan under sanitation activities specifically in the girls' schools started in 2014-15. The Company has built up total 57 environment friendly bio toilets in Village Hajipur Ka Bass, Dadhikar in the Alwar district of Rajasthan till FY 2016-17.

During the financial year 2021-22, your Company under the Swayam Projects for Distribution of sanitary pads and creating awareness on menstrual hygiene in the rural area of Alwar Districts, had spent Rs.15,200/-. Project has impacted greatly over 400 women and made them more conscious of cleanliness and health;

Your company is also giving donations to School for education, Donations to Hospital for medicine for poor people and Donations to Old Age Home, since last many years in the Alwar district and in the financial year 2021-22, the company has spent for Animal welfare also.

Corporate Social Responsibility (CSR) is termed as a way of 'giving back' to the society through many different ways by positively impacting on their lives and environment. The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the focus areas as notified under schedule VII of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. In accordance with the Companies Act, 2013, your Company has committed 2% of their profit annually towards CSR initiatives.

**Areas of development under CSR:-**

Developing toilets and promoting sanitation by procuring, distributing sanitary pads amongst the Girls/women and promoting/creating awareness on women hygiene, sex education etc.

**1. Sanitation activities:** SHL is carrying out continuously the following Sanitation related activities:**(i) Humara Sauchalaya**

Our company has constructed various toilets in the rural areas of Alwar district.

**Details of Household and School Toilet Constructed**

S. NO.	Funding Agency	No. of Toilet Constructed	Construction Period	District	Block/ Panchayat	Villages Covered by ICWC
1	Sunil HealthCare Ltd.	25 Household	August 2014	Alwar, Rajasthan	Umrain Block	Hazipur Ka Bass
2	Satya Foundation	3 school toilet Complex	December 2014 to January 2015	Alwar, Rajasthan	Umrain Block	1. Dadhikar 2. Hazipur Ka Bass
3	Satya Foundation	1 School toilet Complex	February 2015	Alwar, Rajasthan	Umrain Block	1. Kaduki
4	Sunil HealthCare Ltd.	26 household Toilets	April & May 2017	Alwar, Rajasthan	Umrain Block	1. Bhengda Ka Bass

**(ii) Swayam**
**Distribution of sanitary pads and creating awareness on menstrual hygiene.**

- Present in these three villages: Hajipur, Hajipur Ka Bass, Dadhikar village of Alwar District;
- Project has impacted over 400 women and made them more conscious of cleanliness and health;
- Our session on menstrual hygiene and gender equality had great impact on improving the Menstrual hygiene awareness both in men and women.

**2. Donation to Hospitals**

SHL has a policy of donation, grant and or financial assistance to hospitals, dispensaries, nursing homes, maternity homes, , child welfare centers, clinic, laboratories, mobile medical ambulances, medical and /or surgical equipment and camp and other establishment for giving medical relief to the aged, orphaned, disabled, sick, destitute, abandoned, helpless persons and general public.

**3. Donation to Schools**

SHL has a policy of donation, grant and /or financial assistance to school, college, hostel, libraries, reading room, lecture hall museums and other establishment and institutions for the development of education and diffusion of useful knowledge. Provide for and top afford opportunities and facilities in the field of educations by funding and awarding scholarship, prizes, reward, allowances or other financial assistances to the students.

**4. Donation to old age homes, orphanages etc.**

SHL has a policy of donation, grant and /or financial assistance to old age homes, orphanages or other establishment to provide relief to the poor, the destitute, the orphans, the widows, old age person and otherwise provided for them.

**5. Other activities as per Schedule VII of the Companies Act, 2013**

SHL has policy to contribute in CSR activities as per schedule VII of the Companies Act, 2013. As of now we contribute as donation to Cow shelter towards animal welfare.

**2. Composition of CSR Committee:-**

Pursuant to the provisions of Section 135(9) of Companies Act, 2013 duly amended by the Companies Amendment Act, 2020 made applicable w.e.f. January 22, 2021, the Company need not to have the Corporate Social Responsibility Committee, where, the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, and the functions of such Committee provided under this section 135 shall, in such cases, all the functions of the committee be discharged by the Board of Directors of the Company. Since the commencement of the Companies Act,

2013, the Company was never required to spend Rs. 50 Lakhs or more towards CSR obligation. The Company in its Board meeting held on June 15, 2021 has dissolved the CSR Committee with immediate effect, and, all the functions of the Committee shall be discharged by the Board of Directors of the Company w.e.f. June 15, 2021.

Prior to dissolve of CSR Committee, the composition of CSR Committee were as Under:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Bejon Kumar Misra	Chairman, Independent Director	1	1
2	Mr. Rakesh Mohan	Member, Independent Director	1	1
3	Mr. (Amb.) Krishna Venkatachalam Rajan	Member, Non-executive Director	1	1

**Secretary:** The Company Secretary of the Company shall act as Secretary of the Committee.

**Quorum:** 1/3<sup>rd</sup> of total strength of the committee or two members, whichever is higher.

**Terms of reference, powers, roles and responsibilities:** The Corporate Social Responsibility Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Section 135, read with rule made thereunder and Schedule VII of the Companies Act, 2013 or any amendment made there under, which may include the following:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act 2013;
2. Recommend the amount of expenditure to be incurred on the activities ,and
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

**3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.**

The composition of the CSR Committee, CSR Policy and CSR projects is available on company's website at [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and web link of the CSR Policy is [csr \(sunilhealthcare.com\)](http://csr.sunilhealthcare.com)

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : INR 13.54 Lakhs (available to set off for FY 2021-22, 2022-23 and 2023-24),**

**Financial Details as sought by the Companies Act, 2013 for fiscal year 2021-22 are as under:-**

Particular	Amount (INR)
6. Average net profit of the Company for last three financial years. As per Section 135(5).	38.83 Lakh
7. (a) Prescribed CSR Expenditure (two percent of average net profit as computed above)	0.78 Lakh
7 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0.00 lakhs
7 (c) Amount required to be set off for the financial year, if any	13.54 lakhs
7 (d) Total CSR obligation for the financial year 2021-22(7a+7b-7c)	<b>(12.76) Lakhs</b>

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year 2021-22 (Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11,24,340	0.00	-	-	0.00	-

(b) **Details of CSR amount spent against ongoing projects for the financial year:** Nil

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)		(7)	(8)	
Sl. No	Name of project	Item from the list of activities in schedule VII to the Act (Sector in Which the Project is Covered)	Local area (Yes/ No)	Location of the Projects		Amount spent for the project (in Rs.)		Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District	Direct expenditure	Overheads:		Name	CSR registration number
1	Sanitation	Promoting preventive healthcare and sanitation	Yes	Rajasthan	Alwar	15,200.00		Yes	N.A.	N.A.
2	Donation to School	Promoting Education	Yes	Rajasthan	Alwar,	2,04,000.00		Yes	N.A.	N.A.
3.	Donation to Hospital/ Medicine distribution	Promoting healthcare	Yes	Rajasthan	Alwar,	1,80,000.00		Yes	N.A.	N.A.
4.	Donation to Old Age Homes	Promoting the setting up of old age homes, day care centers and such facilities for senior citizens	Yes	Rajasthan	Alwar,	1,90,000.00		Yes	N.A.	N.A.
5.	Animal Welfare	Donating for cow fodder	Yes	Delhi	New Delhi	5,35,140.00		Yes	N.A.	N.A.
	Total					11,24,340				

(d) **Amount spent in Administrative Overheads:** 0.00

(e) **Amount spent on Impact Assessment, if applicable:** 0.00

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs. **11,24,340.00**

(g) **Excess amount for set off, if any:-** [Rs. 11.24Lakhs (for FY 2021-22)+ Rs. 13.54 (for FY 2020-21)= Rs. 24.78 lakhs less CSR obligation for FY 2021-22 i.e. INR 0.78 lakhs] = **INR 24 lakhs**



<b>Sl. No.</b>	<b>Particular</b>	<b>Amount (Rs. in Lakhs)</b>
(i)	Two percent of average net profit of the Company as per Section 135(5) INR 0.78 Lakhs less INR 13.54 (amount required to be set off in FY 2021-22)	(12.76)
(ii)	Total amount spent for the Financial Year	11.24
(iii)	Excess amount spent for the financial year [(ii)-(i)]	24.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)] Note: (Amount spent after adjustment of set off for fy 2020-21 i.e. INR13.54 lakhs and Expenditure of 2% of Average Net profit of FY 2021-22) to be carried forward for next three Financial year for adjustment with CSR obligation)	24.00

9 (a) **Details of Unspent CSR amount for the preceding three financial years:**

- i) Total Amount unspent in FY 2020-21 INR 0.00 Lakhs
- ii) Total Amount unspent in FY 2019-20 INR 2.95 Lakhs\*
- iii) Total Amount unspent in FY 2018-19 INR 4.47 Lakhs\*\*

Note:

\*Unspent amount of Rs. 2.95 Lakhs was adjusted with CSR Expenditure in FY 2020-21, after adjustment no Unspent Amount is there for FY 2019-20).

\*\* Unspent amount of Rs. 7.91 lakhs, as per recommendation of CSR Committee and approval of the Board, to be adjusted with CSR expenditure of FY 2018-19, So, cumulatively Unspent amount in FY 2018-19 alongwith unspent CSR obligation of FY FY 2017-18, shall be Rs. 12.88 Lakhs. The Board of Directors did not decide to carry over unspent obligation of FY 2018-19 to CSR obligation of Financial year 2019-20.

- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**  
Not Applicable

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**

No capital asset was created / acquired during 2020-21 through CSR spend of the Company.

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) :  
Not Applicable**

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

For **SUNIL HEALTHCARE LIMITED**

**Mr. Anil Kumar Khaitan**  
**Chairman cum Managing Director**  
**DIN-00759951**

**Date : 06.05.2022**  
**Place : New Delhi**

**ANNEXURE-G****Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

The Members of Sunil Healthcare Ltd.  
38E/252-A, Vijay Tower  
Shahpurjat,  
New Delhi – 110049

1. The Corporate Governance Report prepared by Sunil Healthcare Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2022. This certificate is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

**MANAGEMENT'S RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**AUDITOR'S RESPONSIBILITY**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**OPINION**

7. Based on the procedures performed by us and according to the information and explanations given to us, that we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2022.

**OTHER MATTERS AND RESTRICTION ON USE**

8. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
9. This certificate is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not

accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

**For JKVS & Co.**

Chartered Accountants

ICAI Firm Registration Number: 318086E

Sajal Goyal

Partner

Membership Number: 523903

UDIN: 22523903AINXBK4365

Place : New Delhi  
Date : May 06, 2022

**SUNIL HEALTHCARE LIMITED**

**Regd. Off: - 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049**  
**Email: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) / Website: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)**  
**CIN-L24302DL1973PLC189662**

**REPORT ON CORPORATE GOVERNANCE**

In compliance with Corporate Governance requirements as prescribed by SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, **the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2022** is set out below for information to stakeholders and investors of the Company.

The Management of the Company believes that the great companies are built on the foundation of good governance practices. Corporate governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory authorities and the community at the large.

**(1) Company's philosophy on code of Corporate Governance:**

In the context of modern business environment where the stakeholders are scattered all over the Country, the Company feels that their participation and involvement in the affairs of the Company can be achieved only through professional approach and better 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 Company's Corporate Governance philosophy is based on the following principles:

- (1) Comply with all the applicable laws of the country.
- (2) Have simple and transparent corporate structure driven by business needs.
- (3) Management is the trustee of the shareholder's capital.
- (4) Be transparent and to maintain high degree of disclosure levels.

The Company's Board and Senior Level Management comprise of individuals with rich experience and expertise across a range of disciplines.

Your Directors confirm the practice of good Corporate Governance codes by the Company in true spirit. The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe and are pleased to present below the report on it.

Disclosure of Information to Investors:

Your Company ensures the timely disclosure of all material information in compliance with applicable laws.

**(2) Role of the Company Secretary in overall governance process:**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**(3) 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.

- A.** The Board has an optimum combination of executive and non –executive directors including Independent Directors as per Regulation of 17 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 as on 31<sup>st</sup> March, 2022. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

**The composition of the Board are as under:-**

S. N.	Name of the Director	Category#	No of share /% held in the Company	Attendance record		No. of other Directorship including Sunil Healthcare Limited ##	Name of other Listed Entity, where Directors and Nature of Directorship	Membership(s) of Committees of other Companies including Sunil Healthcare Limited (a)	Chairman Ship of Committees of other Companies including Sunil Healthcare Limited (a)
				Board Meeting	Last AGM				
1.	Mr. Anil Kumar Khaitan	Promoter, ED (CMD), CEO	Equity Share: 59,42,494 of Rs. 10/- each (57.95%) Preference shares 282500 of Rs. 100/-each (48.49%)	4	Yes	3	Not Applicable	-	-
2.	Mr. Sanjay Kumar Kaushik	NEID	NIL	4	Yes	3	Anil Special Steel Industries Ltd as an AD (w.e.f. 04.01.2017)*	2	-
3.	Mr. Rakesh Mohan	NEID	Nil	4	Yes	9	I) SKIL Infrastructure Limited as NEID II) AKG Exim Limited, as NEID II) AKG EXIM LIMITED as NEID	2	2
4.	Dr. Harish Pal Kumar	NEID	NIL	4	Yes	3	Not Applicable	0	1
5.	Mr. Krishna Venkatachalam Rajan	NED	Nil	4	Yes	3	Not Applicable	0	1
6.	Mr. Bejon Kumar Misra	NEID	Nil	4	Yes	4	Not applicable	1	0
7.	Mrs. Mudita Chaturvedi	NED	Nil	4	Yes	2	Not applicable	0	0

**Notes:**

- Committee includes Audit Committee and Stakeholder Relationship Committee of the Company.
- \* Mr. Sanjay Kumar Kaushik was appointed as an Additional Director on 04.01.2017, in Anil Special Steel Industries Ltd. (ASIL), ASIL is presently going through Corporate Insolvency Resolution Process (CIRP) and he is no more associated with ASIL.
- The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- # The full form of abbreviation used in category, are as under:  
AD- Additional Director  
CMD- Chairman & Managing Director;

ED- Executive Director;

NED- Non-Executive Director;

NEID- Non-Executive Independent Director

e) ## including all public limited Companies, whether listed or not, private and foreign companies.

**B. Term of reference to the Board of Directors:** The Company places before the Board, all relevant and necessary information for seeking the necessary approvals and directions on the operation and plans of the Company. The Board periodically reviews items required to be placed before it. Normally, the relevant informations, required to be placed before the Board of Directors as per Regulation 17(7) read with Schedule II of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, are duly considered and taken on record/approved by the Board.

**C. Board Independence:** - Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than the Chairman are Independent in terms of Regulation 16 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and Section 149(6) of the Companies Act, 2013.

**D. Familiarization Programme:** All newly inducted independent directors on the Board are familiarized with the Company, nature of the industry in which the Company operates, his role, rights and responsibilities through appropriate familiarization programme prepared and adopted by the Board. The weblink of details of Familiarization is available on the website of the Company is [FAMILIARISTION PROGRAM-2021-22-SHL \(sunilhealthcare.com\)](http://sunilhealthcare.com)

**E. Skill/Expertise/competence of Board of Directors:-The Board of Directors of the Company bring to the fore a vast range of skills and experience from various fields, functions and sectors, which enhance the governance framework and Board decision making process. The Board had identified the following skills/area of expertise/competencies required in the context of the Company's business and its operations:**

Area of expertise/ competencies identified	Particulars	Name of Director's, who fulfill the Skill sets
<b>Corporate Governance</b>	Protection of interest of all stakeholders by understanding the importance of transparency and implementing the same through board process.	Mr. Anil Kumar Khaitan, Mr. Harish Pal Kumar, Mrs. Mudita Chaturvedi, Mr. K.V. Rajan, Mr. Rakesh Mohan, Mr. Bejon Misra, Mr. Sanjay Kaushik
<b>Strategic planning, Business Development, Business operations. Sales and marketing</b>	Expertise in framing strategy for growth of the company and having exposure in development of business relations, and management.	Mr. Anil Kumar Khaitan, Mr. Harish Pal Kumar, Mrs. Mudita Chaturvedi, Mr. K.V. Rajan, Mr. Rakesh Mohan, Mr. Bejon Misra, Mr. Sanjay Kaushik
<b>Global Prospective/Global Economics</b>	Understanding global diverse business environment and regulatory framework.	Mr. Anil Kumar Khaitan, Mr. Harish Pal Kumar, Mr. K.V. Rajan, Mr. Rakesh Mohan, Mr. Bejon Misra
<b>General Management, HR and Leadership</b>	General know how of business management, talent management and development, workplace health & safety.	Mr. Anil Kumar Khaitan, Mr. Harish Pal Kumar, Mr. Rakesh Mohan, Mr. Bejon Misra
<b>Accounting &amp; financial expertise</b>	Understanding of Financial Statements, Budgeting, treasury operations, Audit, capital allocation and fund raising.	Mr. Anil Kumar Khaitan, Mr. Harish Pal Kumar, Mr. Sanjay Kumar Kaushik, Mr. Rakesh Mohan

<b>Pharmaceuticals, Science &amp; Technology</b>	Significant background and expertise in Pharmaceuticals sector, science and technology.	Mr. Anil Kumar Khaitan, Mr. Rakesh Mohan
<b>Consumer related and CSR matters</b>	Have understanding and importance of protecting and educating the consumers. Giving back to the societies at large	Mr. Anil Kumar Khaitan and Mr. Bejon Misra

**F. The Board of Directors of the Company met four times during the financial year 2021-22**, on 15.06.2021, 21.07.2021, 27.10.2021, and 31.01.2022, with a maximum gap of 120 days between the two meetings. The Meeting of Board of Directors are held through video conferencing mode in Financial Year 2021-22. The maximum gap between two Board Meetings was less than 120 days. The status on attendance of Directors in the meeting mentioned above in **3 (A)**.

**G. Board Performance Evaluation** :-Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration and other committees as per the Board Evaluation policy, which is available at website of the company at web link [BOARD EVALUATION \(sunilhealthcare.com\)](http://BOARD_EVALUATION(sunilhealthcare.com)). A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the outcome of the evaluation process.

**H.** None of the directors of your Company are inter-se related to each other.

**I.** None of the directors except Mr. Anil Kumar Khaitan, Chairman cum Managing Director of the Company has shareholding in the Company.

#### **INDEPENDENT DIRECTOR MEETING**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulation, the Independent Directors are required to hold a separate meeting without the presence of Executive Directors or management personnel at least once in every year. The Independent Directors met on 31.01.2022, inter alia, to discuss:

1. Review the performance of Non-Independent;
2. Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Review the performance of the Board as whole;
4. Review the performance of the Committees of the Board

#### **(4) BOARD COMMITTEES**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Board has currently established the following statutory and non-statutory Committees:-

- I. Audit Committee.

- II. Nomination & Remuneration Committee
- III. Stakeholder Relationship Committee
- IV. Corporate Social Responsibility Committee (Dissolved w.e.f. 15.06.2022)
- V. Risk Management Committee

**(I) Audit Committee:-**

**Composition and Meeting**

The Audit Committee met four times during the financial year 2021-22 through virtual mode on 15.06.2021, 21.07.2021, 27.10.2021 and 31.01.2022. The Composition of the Audit Committee of the Company as on March 31, 2022 and the attendance of each member/ director at said meeting are as under:

S. No	Members of Audit Committee	Category	No. of Meeting Held	No of Meeting attended
1.	Mr. Harish Pal Kumar	Independent Director and Chairman of the Committee	4	4
2.	Mr. Sanjay Kumar Kaushik	Independent Director	4	4
3.	Mr. Bejon Kumar Misra	Director (independent)	4	4

**Note:-**

- All Members of Audit Committee are Independent Directors.

**Terms of reference, roles and responsibilities**

The Audit Committee terms of reference, roles and responsibilities shall be as per Section 177 of the Companies Act, 2013 read with Rules 6 and 7 of the Companies (Meetings of the Board and its Powers) Rule, 2014 and other applicable provisions of the Companies Act, 2013 and Regulation 18 read with Schedule II of the SEBI (LODR) 2015 or any amendment therein, which, inter alia, may 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 to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, internal auditor and fixation of audit fees and other terms of appointment and approval for payment of any other services;
- c) Reviewing with management the annual financial statement and auditor report thereon before submission to the Board for approval.
- d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function,
- f) Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
- g) Discussion with external auditors before the audit commences nature and scope of audit as well as has post audit discussion to ascertain any area of concern.
- h) Reviewing the Company's financial and risk management policies before submissions to the board for approval.
- i) Reviewing and monitoring auditor independence and performance, and effectiveness of audit process
- j) Approval of transaction with related parties



- k) scrutiny of inter corporate loans and investments
- l) Valuations and evaluations of internal financial control and risk management
- m) Monitoring the end use of funds raised by through public offers and related matters
- n) Valuation of undertaking or assets of the Company
- o) To review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- p) Review of system of prohibition Insider Trading.
- q) To investigate any activity within terms of reference
- r) To seek information from employee
- s) To obtain outside legal or other Professional advise
- t) To secure attendance of outsider with relevant expertise, if it consider necessary.

## (II) **Nomination & Remuneration Committee**

### **Composition & Meeting**

The Nomination & Remuneration Committee met twice during the financial year 2021-22 on 15.06.2021 and 31.01.2022 through virtual mode. The Composition of the Nomination & Remuneration Committee of the Company as on March 31, 2022 and the attendance of each members at said meeting are as follows:

<b>Sr. No</b>	<b>Members of Nomination &amp; Remuneration Committee</b>	<b>Category</b>	<b>No. of Meeting Held</b>	<b>No of Meeting attended</b>
1	Mr. Rakesh Mohan	Independent and Chairman of the Committee	2	2
2	Mr. Sanjay Kumar Kaushik	Independent Director	2	2
4	Mr.(Dr.) Harish Pal Kumar	Independent Director	2	2

### **Note:**

- All Members of the Nomination & Remuneration Committee are Independent Directors.

**Terms of reference, Powers, roles and responsibilities:** The Nomination and Remuneration Committee's terms of reference, powers, roles and responsibilities shall be as per Section 178 of the Companies Act, 2013 read with Rules made there under and Regulation 19 read with PARA A of PART D of Schedule II of the SEBI (LODR) 2015 or any amendment therein, which, inter alia, may include the followings:

1. Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
2. Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
3. Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
4. Review and determine all elements of remuneration of Executive Directors, key managerial personnel and other sr. employees
5. Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
6. Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
7. Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole

**(III) Stakeholder Relationship Committee**
**Composition**

The Stakeholders' Relationship Committee met once during the financial year 2021-22 on 15.06.2021 through virtual mode. The Composition of the Stakeholders' Relationship Committee of the Company as on March 31, 2022 and the attendance of each members at said meeting are as follows:

Sr. No	Members of Nomination & Remuneration Committee	Category	No. of Meeting Held	No of Meeting attended
1	Mr. (Amb.) Krishna Venkatachalam Rajan	Non-Executive Director and Chairman of the Committee	1	1
2	Mr. Rakesh Mohan	Independent Director & Member	1	1
4	Mr. Sanjay Kumar Kaushik	Independent Director & Member	1	1

**Terms of reference, Powers, roles and responsibilities:** The Stakeholder Relationship Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Companies Act, 2013, **Regulation 20 read with Para B of Part D of Schedule II of the SEBI (LODR) 2015 or any amendment in respective therein**, which may include as under:

- (a) Consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend issue of duplicate share / debenture certificates, etc;
- (b) Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- (c) Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- (d) Provide guidance and make recommendations to improve investor service levels for the investors.

**Compliance Officer**

Mr. Santosh Kumar Sharma, Company Secretary has been appointed as Company Secretary & Compliance Officer with effect from February 12, 2018.

The Compliance officer is responsible for Redressal of investor complaints.

**Number of Shareholder Complaint received during the financial year**

During the financial year 2021-22, the following complaints were received through score portal and resolved to the satisfaction of shareholders. As on March 31, 2022, no complaints was pending.

S. No.	Complaint at Scores quarter wise	Opening	Received	Resolved	Closing (Pending)
1.	Quarter 1 of financial year 2021-22 (April 01 to June 30, 2021).	0	0	0	0
2.	Quarter 2 of financial year 2021-22 (July 01 to September 30, 2021).	0	0	0	0
3	Quarter 3 of financial year 2021-22 (October 01 to December 31, 2021).	0	0	0	0
4	Quarter 4 of financial year 2021-22 (January 01 to March 31, 2022)	0	0	0	0

**(IV) Corporate Social Responsibility Committee**
**Constitute and Composition**

The Corporate Social Responsibility Committee met once during the financial year 2021-22 on 15.06.2021 through virtual mode. The Composition of the Corporate Social Responsibility Committee of the Company till June 15, 2021 and the attendance of each members at said meeting during financial year 2021-22 are as follows:

Sr. No	Members of Nomination & Remuneration Committee	Category	No. of Meeting Held	No of Meeting attended
1	Mr. Bejon Kumar Misra	Independent Director and Chairman of the Committee	1	1
2	Mr. Rakesh Mohan	Independent Director & Member	1	1
4	Mr. (Amb.) Krishna Venkatachalam Rajan	Non-Executive Director & Member	1	1

Pursuant to the provisions of Section 135(9) of Companies Act, 2013 duly amended by the Companies Amendment Act, 2020 made applicable w.e.f. January 22, 2021, the Company was not required to have the Corporate Social Responsibility Committee, where, the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, and the functions of such Committee provided under this section 135 shall, in such cases, all the functions of the committee be discharged by the Board of Directors of the Company.

Therefore, the Board of Directors in its meeting held on 15.06.2022 has dissolved the CSR Committee w.e.f. 15.06.2021 in the best interest of the Company and all the functions of the Committee shall be discharged by the Board of Directors of the Company henceforth. Once the CSR obligation would be Rs. 50 Lakhs or more in near future, the Company would constitute CSR Committee at that point of time.

**The terms of reference of Corporate Social Responsibility Committee:** The Corporate Social Responsibility Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Section 135, read with rule made thereunder and Schedule VII of the Companies Act, 2013 or any amendment made there under, which may include the following:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act 2013;
2. Recommend the amount of expenditure to be incurred on the activities ,and
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

Now, the above functions of CSR Committee to be performed by CSR Committee. The Annual Report on CSR Activities is appended as **Annexure F** to this Board's Report. The details of CSR Policy of the Company also available on the website of the Company at [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link [csr \(sunilhealthcare.com\)](http://csr.sunilhealthcare.com)

**(V) RISK MANAGEMENT COMMITTEE**
**Constitution**

As per the provision of Regulation 21 (5) of the SEBI (Listing Obligation & Disclosure Requirement), Regulation, 2015, the provision of aforesaid regulation of constitution of Risk Management Committee is not applicable on the Company but the Company has voluntarily constituted a Risk Management Committee In accordance with the erstwhile Listing Agreement. The details of the policy are available on the website of the Company at [www.sunilhealthcare.com](http://www.sunilhealthcare.com). During the year no meeting of Risk Management committee was conducted.

**The objectives and scope**

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

**Composition**

The Risk Management Committee comprises of three members' as on March 31, 2022 viz. Mr. Rakesh Mohan, Chairman, Mr. Sanjay Kaushik, Member, and Mr. Harish Pal Kumar, Member.

Mr. B.P. Srinivasan, Director and Member of the Committee retire on 28.09.2020.

During the year 2021-22, No meeting of Risk and Management Committee was held.

**Terms of reference, powers, roles and responsibilities:** The Risk Management Committee's terms of reference, powers, roles and responsibilities shall be as per provisions of the Regulation 21 read the SEBI (LODR), 2015 and applicable provisions of the Companies Act, 2013 or any amendment made there under.

**(5) Remuneration of Directors****(i) Remuneration to Non-Executive Directors**

The Non-executive Directors of the Company are paid remuneration by way of sitting fees not exceeding the limits prescribed under the Companies Act, 2013, only for attending the meetings of the Board of Directors and its Committees. Beside the sitting fees they are also entitled to reimbursement of out of pocket expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. At present Non-executive Director, whether Independent or Non-Independent are entitled to receive sitting fees of Rs. 8,500/- **for attending per meeting** of the Board or Committees after deducting TDS and exclusive of out of pocket expenses. The details of the Nomination and remuneration policy are available on the website of the Company i.e. [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link **NOMINATION AND REMUNERATION POLICY** ([sunilhealthcare.com](http://sunilhealthcare.com)).

**(ii) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration of MD/WTDs are determined and paid in due compliance of the provisions of Companies Act, 2013. The Board determine the remuneration of the other KMPs and the SMPs at the time of their appointment and any subsequent increments shall also be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. Other terms like services contract, notice period and severances fees are decided as per the HR Policy of the Company. As a policy, the Executive Directors are neither paid sitting fee nor any commission. The details of the Nomination and remuneration policy are available on the website of the Company i.e. [www.sunilhealthcare.com](http://www.sunilhealthcare.com) at web link **NOMINATION AND REMUNERATION POLICY** ([sunilhealthcare.com](http://sunilhealthcare.com)).

**Pecuniary Relationship with Non-Executive Directors:** None of the Non-executive Directors has any pecuniary relationship or transactions with the Company except as per requirements of **IND-AS24 are disclosed in the note no. 37** of notes to accounts annexed to the financial statements.

**The details of remuneration paid to all the Executive, Non -Executive Directors and Key Managerial Personnel during the year ended 31<sup>st</sup> March 2022 are given below:-**

S. No	Name	Salary & Allowances	Perquisites	Sitting Fees*	Total
1.	Mr. Anil Kumar Khaitan (Chairman cum Managing Director and CEO)	27,93,270	0	---	27,93,270
2.	Mr. Sanjay Kumar Kaushik (Independent Director)	-	-	1,02,000.00	1,02,000.00
3.	Mr. Rakesh Mohan (Independent Director)	-	-	76,500.00	76,500.00
4.	Mr.(Dr.) Harish Pal Kumar (Independent Director)	-	-	93,500.00	93,500.00
5.	Mr. (Amb.) K.V. Rajan(Non-Independent Director)	-	-	42,500.00	42,500.00
6.	Mr. Bejon Kumar Misra(Independent Director)	-	-	85,000.00	85,000.00
7.	Mrs. Mudita Chaturvedi (Non-Independent Director)	-	-	34,000.00	34,000.00
8.	Mr. Pawan Rathi (Chief Financial Officer)	30,72,216.00	0	-	30,72,216.00
9.	Mr. Santosh Kumar Sharma, AGM- Legal & Company Secretary)	18,89,484.00	0	-	18,89,484.00

**Note:-**

\*The sitting fees are subject to deduction of TDS @10 and exclusive of conveyance expenses.

#### **(6) General Body Meetings**

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

Financial Year	Venue	Day , Date & Time	Details of Special Resolution Passed
<b>47<sup>th</sup> AGM for FY 2020-21</b>	<b>Registered office at 38E/252A, Vijay Tower, 3<sup>rd</sup> floor, Panchsheel Commercial Complex, Shahpur Jat, New Delhi-110049, (through Video Conferencing Mode)</b>	<b>Tuesday, 28<sup>th</sup> September, 2021 at 12:30 p.m.</b>	Special Resolution for re-appointment of Mr. Rakesh Mohan (DIN:07352915) as an Independent Director for second term of five years starting from November 11, 2021 to November 10, 2026 was passed.
<b>46<sup>th</sup> AGM held for FY 2019-20</b>	<b>Registered office at 38E/252A, Vijay Tower, 3<sup>rd</sup> floor, Panchsheel Commercial Complex, Shahpur Jat, New Delhi-110049, (through Video Conferencing Mode)</b>	Monday, the 28 <sup>th</sup> September, 2020 at 12:30 P.M./IST	No Special Resolution was passed.

<b>45<sup>th</sup> AGM held for FY 2018-19</b>	Shri Ram Hall, First Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, SIRI Institutional Area, August Kranti Marg, New Delhi-110016	<b>Friday, 27<sup>th</sup> September, 2019 at 3:00 p.m.</b>	Special Resolution for re-appointment of Mr. Sanjay Kumar Kaushik (DIN:00329013) as an Independent Director for second term of five years starting from September 27, 2019 to September 26, 2024, was passed.
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2. The details of the Extra Ordinary General Meeting of the Company (EGMs) held during last three financial years:

Financial Year	Venue	Day , Date & Time	Details of Special Resolution Passed at EGM
<b>Financial Year 2021-22</b>	<b>No EGMs was convened during financial year 2021-22</b>		
<b>Financial Year 2020-21</b>	<b>No EGMs was convened during financial year 2020-21</b>		
01/2019-20 EGM in FY 2019-20	Modi Hall, Ground Floor, PHD Chamber of Commerce and, Industry PHD House, 4/2, SIRI Institutional Area, August Kranti Marg, New Delhi-110016	<b>Friday, June 28, 2019 at 3:00 p.m.</b>	<p>The following five Special Resolutions were passed in 01/2019-20 EGM:</p> <ul style="list-style-type: none"> <li>i) To appoint Mr. (Dr.) Harish Pal Kumar (DIN: 01826010), as an Independent Director for period of 5 years starting from 13.02.2019 to 12.02.2024</li> <li>ii) To appoint Mr. (Amb.) Krishna Venkatachalam Rajan (DIN 02777067), as Non-Executive Director, liable to retire by rotation, beyond the age of 75 years</li> <li>iii) To approve reclassification of 20000 Preference share from Cumulative to Non-Cumulative and Non-Participatory Preference Shares.</li> <li>iv) To approve for increase in Authorised Capital of the Company from Rs. 11,00,00,000 to Rs. 17,00,00,000 (Rupees seventeen crores only )and amendment in clause V of the MOA.</li> <li>v) To approve for issue of 600000 numbers 0.01% Redeemable Non-cumulative and Non-participatory preference Shares (RPS) of Rs. 100/- each at issue price of Rs. 200/- each on Private Placement basis and offer letter cum application form.</li> </ul>

3. No special resolution was passed through postal ballot during the Financial Year 2021-22.
4. In the ensuing Annual General Meeting, resolutions are required to be passed as special resolutions, as per details to be mentioned in the Notice of ensuing AGM.

#### **(7) Means of Communication**

- **Company website:** Pursuant to regulation 46 of the SEBI (LODR) Regulations, 2015, the Company's website contains a separate dedicated section "Investors relation" where information sought by shareholders is available. The Annual report of the Company and quarterly / annually results of the Company apart from the details about the Company, Board of directors and Management, are also available on the website in a user friendly and

downloadable form at <https://www.sunilhealthcare.com/investor-relation/>

- 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 as per requirement of SEBI (LODR) Regulations 2015 duly amended from time to time.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Presentation made to Institutional Investor or to the analysts:** - During the Financial Year 2021-22, No such presentation made to Institutional Investor or to the Analysts. **However, for past years** such presentations and other disclosures which are required to be disseminated on the Company’s website under the Listing Regulations have been uploaded on the website of the Company at <https://www.sunilhealthcare.com/investor-relation/>.
- **Uploading on BSE Listing Center and CSE:** The quarterly and annually results, quarterly and annually compliances and all other corporate communications to the Stock Exchanges are filed electronically on BSE Listing Centre for BSE and CSE listing compliance for Calcutta Stock Exchange.
- **Annual Report: The Annual Report containing, inter-alia, Notice of Annual General Meeting, the audited financial statement (standalone & consolidated), Statutory Auditors report, Board Report alongwith all Annexures and other important information is circulated to shareholders and other stakeholders and is also available on the Company’s website** <https://www.sunilhealthcare.com/annual-reports>

#### **(8) General Shareholder’s Information**

##### **(a) Annual General Meeting :-**

**Day, Date, Time and Venue :** The 48<sup>th</sup> Annual General meeting will be held on or before September 30, 2022. The announcement on exact day, date, time and venue will be made after approval of the Board in its meeting.

##### **(b) Financial Calendar**

###### **(i) Financial Calendar:- (Actual)**

<b>Financial Year</b>	: 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
1 <sup>st</sup> Quarterly Results	: Results were published on July 21, 2021
2 <sup>nd</sup> Quarterly Results	: Results were published on October 27, 2021
3 <sup>rd</sup> Quarterly Results	: Results were published on January 31, 2022
4 <sup>th</sup> Quarterly Results	: Results will be published after Board meeting for the 04 <sup>th</sup> Quarter on 06.05.2022

###### **(ii) Financial Calendar:- (Tentative)**

<b>Financial Year</b>	: 1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
1 <sup>st</sup> Quarterly Results	: 2 <sup>nd</sup> week of August, 2022
2 <sup>nd</sup> Quarterly Results	: 2 <sup>nd</sup> week of November, 2022
3 <sup>rd</sup> Quarterly Results	: 2 <sup>nd</sup> week of February, 2023
4 <sup>th</sup> Quarterly Results	: 4 <sup>th</sup> week of May, 2023

**(c) Dividend payment date :** The Company did not declare any dividend.

**(d) Book Closure Date :** The announcement of book closure date shall be made after approval of the board and shall be published in Newspaper and made available to the stock exchange and at website of the company.

##### **(e) Listing of Equity Shares on stock exchanges:**

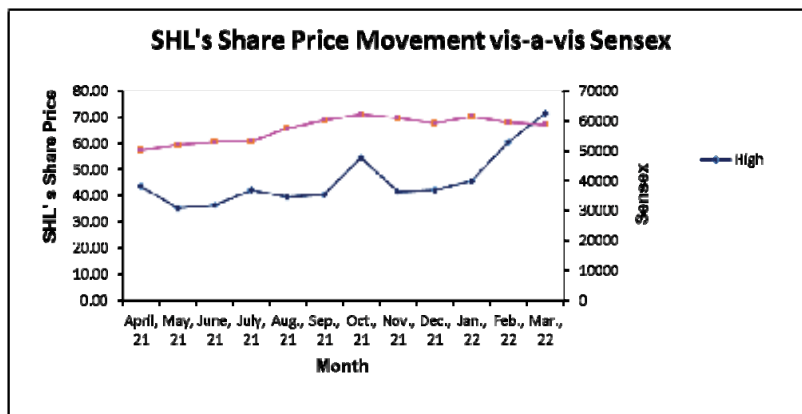
**Bombay Stock Exchange:** - Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

**Calcutta Stock Exchange:** - 7, Lyons Rang, Kolkata- 700 001

- (f) **Script Code:** 537253 ( SUNLOC) at BSE Limited
- (g) **Listing and Custodian Fees:** Listing for financial year 2022-23 were paid and Custodian fees for the financial year 2022-23 will be paid within due date.
- (h) There are no outstanding GDR's/ ADR's /Warrants or any Convertible instruments which would have any impact on the Equity.
- (i) **Market Price Data (BSE): - High & Low during each month in the financial year 201-22 are as under:-**

Month	High Price	Low Price	Total Turnover (Rs.)
Apr-21	43.75	22.6	46,65,506
May-21	35.25	29.3	20,21,814
Jun-21	36.5	29.6	30,22,422
Jul-21	42.3	30	54,26,778
Aug-21	39.75	30.6	16,71,838
Sep-21	40.45	32.5	28,83,717
Oct-21	54.7	36	28,37,298
Nov-21	41.8	35.1	8,19,570
Dec-21	42.35	33.95	13,23,434
Jan-22	45.65	37.3	19,44,061
Feb-22	60.7	43.45	76,26,546
Mar-22	71.55	46.3	47,01,433

- (j) **Stock Performance:** The performance of your Company's shares relative to the S&P BSE Sensitive Index is given in the chart below:



Month	April, 21	May, 21	June, 21	July, 21	Aug., 21	Sep., 21	Oct., 21	Nov., 21	Dec., 21	Jan., 22	Feb., 22	Mar., 22
High	43.75	35.25	36.50	42.30	39.75	40.45	54.70	41.80	42.35	45.65	60.70	71.55
Sensex	50376	52013	53127	53291	57625	60412	62245	61037	59203	61475	59618	58891

**Note:** The above chart depicts comparison of monthly high Sensex and SHL's Share price.



**(k) Distribution of Shareholding and Shareholding Pattern**
**Distribution of shareholding as on 31<sup>st</sup> March, 2022 based upon consolidated PAN**

<b>No. of Shares Range</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>Number of Shares Held</b>	<b>% of Shareholding</b>
1 to 500	6015	93.39	584702	5.70
501 to 1000	197	3.06	152350	1.49
1001 to 2000	129	2.00	189181	1.84
2001 to 3000	30	0.47	73788	0.72
3001 to 4000	10	0.16	34862	0.34
4001 to 5000	16	0.25	72272	0.70
5001 to 10000	24	0.37	171246	1.67
10001 and Above	20	0.31	8976349	87.53
<b>TOTAL</b>	<b>6441</b>	<b>100.00</b>	<b>10254750</b>	<b>100.00</b>

**Shareholding Pattern (EQUITY) as on 31<sup>st</sup> March, 2022**

<b>Categories</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Shareholding</b>
Promoters/ Directors & their relatives including associates Companies and Person acting in concert.	3	0.04	7540305	73.53
Banks/Financial Institutions/ Insurance Companies/Mutual Funds etc.	7	0.10	10476	0.10
NRI's	48	0.70	26385	0.26
Other Corporate Body	42	0.61	792686	7.73
Clearing Member	27	0.39	7625	.12
HUF	84	1.23	103016	1.00
Indian Public	6664	96.93	17,69,629	17.26
<b>Total</b>	<b>6875</b>	<b>100.00</b>	<b>10254750</b>	<b>100.00</b>

**Shareholding Pattern (PREFERENCE SHARE-Unlisted) as on 31<sup>st</sup> March, 2022**

<b>Category of Shareholder</b>	<b>No. of Shareholders (Preference)</b>	<b>% of Shareholders</b>	<b>No. of Shares held (Preference share @ Rs. 100 each)</b>	<b>% of Shareholding (Equity)</b>
<b>(A) Promoter &amp; promoter group</b>				
1. Magnum Computers Pvt. Ltd.	1	50	300000	51.51
2. Anil Kumar Khaitan	1	50	282500	48.49
<b>Total</b>	<b>2</b>	<b>100</b>	<b>582500</b>	<b>100</b>

- (I) Registrar & Transfer Agent: - M/s Alankit Assignment Limited at "4E/2, Alankit House, Jhandewalan Extension, New Delhi 110055"; Contact no. 91-11-4254 1234 email id: [rta@alankit.com](mailto:rta@alankit.com), [lalit@alankit.com](mailto:lalit@alankit.com), Fax: 91- 11 4254 1201, 91-11 2355 2001, [www.alankit.com/info@alankit.com](http://www.alankit.com/info@alankit.com).**

**(m) Share Transfer System**

Transfer of share in Physical mode is not allowed. Transfer of shares / debentures are processed and registered within the stipulated time in demat mode only provided all the documents are valid and complete in all respect. The matter is reviewed by the Board in its quarterly meetings. The Company has appointed M/s Alankit Assignment Limited as its Registrar & Share Transfer Agent for Demat segment of equity shares.

**(n) Dematerialization of Shares: - 9797044 shares of the Company are held in**

Demat form as on 31<sup>st</sup> March 2022 with NSDL /CDSL

**(o) ISIN NO:** INE 671C01016

**(p) Corporate Identity Number (CIN):** L24302DL1973PLC189662

**(q) Compliance officer** Mr. Santosh Kumar Sharma- AGM Legal cum Company

Secretary, F6817, email: [cs@sunilhealthcare.com](mailto:cs@sunilhealthcare.com), Phone no. 011-49435555

**(r) Plant & Works Location:** - 17/18 Old Industrial Area, Alwar-301001, Rajasthan

**(s) Address for Correspondence:-**

Works: 17/18 Old Industrial Area, Alwar-301001, Rajasthan

Regd off :- 38E/252A, Vijay Tower, Shahpurjat, New Delhi- 110049

R & T Agent- Alankit Assignments Limited -RTA Division, Alankit House 4E/2 Jhandelwala Extension New Delhi -110055, Tel: 91-114254 1234 Fax: 91- 11 4254 1201, 91-11 2355 2001, [www.alankit.com/info@alankit.com](http://www.alankit.com/info@alankit.com)

**(t) Credit Rating: The details of credit rating assigned by CARE Ratings Limited, credit rating agency during the financial year 2021-22 are as under:**

S. No.	Facilities/instruments	Amount (Rs. Crores)	Rating	Rating Action
1.	Long-term Bank facilities	31.28	CARE BBB-, Negative (Triple B minus, Outlook: Stable)	Reaffirmed, outlook revised from negative to Stable
2.	Short- term Bank facilities (standby Line of Credit)	18.35	CARE A3 (A Three)	Reaffirmed
3.	Long-term Bank facilities-Standby limit	-	-	Withdrawn
4.	Short term Bank facilities- Working capital demand loan	-	-	Withdrawn
<b>Total facilities</b>		<b>49.63 ( Rupees forty nine crores and sixty three lakhs only)</b>		

**Note:**

- During the financial year 2021-22, the company did not issue any securities, deposit, and commercial papers etc. which require credit rating by credit rating agency.

**(8) Disclosures**

**a) Materially Significant Related Party Transactions:** During the year under review, no materially significant related party transactions was entered by the Company with any related party.

**b)** 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.

- c) **Whistle Blower Policy/ whistle Mechanism:** In line with the Companies Act, 2013, erstwhile Listing Agreement and SEBI (LODR) Regulations, 2015, the Company has formulated Vigil Mechanism/Whistle Blower Policy to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and/ or reputation, in a secure and confidential manner. The said policy provides for adequate safeguard against victimization of directors/employees who avail of such mechanism and provides access to the Chairman of the Audit Committee, in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. The details of Whistle Blower Policy are available on the website of the company at [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and at web link [Microsoft Word - WHISTLE BLOWER POLICY\\_4.docx \(sunilhealthcare.com\)](#).

- d) During the Financial Year 2021-22, the Company has complied with all the mandatory requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

- e) **Determination of Material subsidiary Policy:** - The Regulation 24 of the SEBI (LODR) Regulations, 2015 defines a '**Material Non-listed Subsidiary**' as an unlisted subsidiary, incorporated in India, whose turnover or Net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or Net worth respectively, of the listed holding Company and its subsidiaries in immediately preceding accounting year.

During the year under review, the Company does not have material subsidiary as per the criteria specified in Regulation 24 of the SEBI (LODR) Regulations, 2015. However, the Company has adopted a policy on material subsidiaries and the same is uploaded on the website of the Company i.e. [www.sunilhealthcare.com](http://www.sunilhealthcare.com), which can be accessed at web link <https://www.sunilhealthcare.com/uploads/filemanager/9533q-7.pdf>.

- f) **Policy on dealing with related party transaction:** The Company has framed Related Party Transaction policy, which can be accessed at weblink [https://www.sunilhealthcare.com/uploads/filemanager/2802Related%20Party%20Transaction%20Policy\\_30052019.pdf](https://www.sunilhealthcare.com/uploads/filemanager/2802Related%20Party%20Transaction%20Policy_30052019.pdf)

- g) **Certificate on Non-Disqualification of Director:** The Company has received a certificate from Practicing Company Secretaries that none of the Directors of the company are disqualified for continuing as Director in financial year 2021-22, and the same is enclosed as **Annexure - H**

- h) **Fees paid to Statutory Auditors:** The details of fees for all services paid by the company and its subsidiaries, on consolidated basis in Financial year 2021-22, to the statutory auditors are given as under:

S.No.	Name of Entity	Relationship	Details of Services	INR (Rs.)
1.	Sunil Healthcare Limited	-	Statutory Audit fees	220000.00
2.	Sunil Healthcare Limited	-	Tax Audit fees	110000.00
3.	Sunil Healthcare Limited	-	Limited Review Report (Quarterly)	150000.00
4.	Sunil Healthcare Limited	-	Certification and others fees	484500.00
5.	Sunil Healthcare Limited	-	Consolidation	63875.00
6.	Sunil Healthcare Limited	-	Company Law matters	33000.00
	Total			1061375.00

- i) **Disclosures in relation to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013:-**

The company has in place a policy on Prevention of Sexual Harassment at workplace. During the year ended on December 31, 2021, the company did not receive any complaint of the Sexual Harassment. For further details eg. Composition of Internal Complaint Committee and others, kindly refer to the Board's Report forming part of this Annual Report.

- j) **CEO and CFO Certification:** - The Chief Executive Officer and the Chief Financial Officer of the Company gave annual certification on the financial reporting and internal control to the Board in pursuant to regulation 17 (8) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and the same is published in this report as **Annexure- I**.

- k) Code for Prevention of Insider Trading:** -The Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.
- l) Disclosure of Non-Compliance:**-There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.
- Fine imposed by Stock Exchanges due to delay in submission of Corporate Governance Report, Shareholding Pattern and Grievance Redressal Report for the fourth quarter ended on March 31, 2020 of financial year 2019-20, was subsequently waived off by BSE Ltd based upon representation filed by the Company, hence no non-compliance.
- m) Code of Conduct:** In compliance with regulation 26 (3) of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and Companies Act 2013, the Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence. A copy of the Code has been put on the Company's website at <https://www.sunilhealthcare.com/code-of-conductt>.
- All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended 31st March, 2022. A declaration to this effect signed by Managing Director forms part of this Report.
- n) Prevention of Insider Trading:** In terms of the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015, effective from 15.05.2015, the Board of Directors of the Company has adopted the Code of Practices and Procedure and Code of Conduct for fair disclosure of unpublished price sensitive information. The object of this code is to protect the interest of the shareholders at large, to prevent misuse of any price sensitive information and to prevent ant insider trading activity by dealing in shares of the Company by the Directors, designated employees and other employees of the Company. The Board is responsible for implementation of the Code. All Board Directors and the designated and other employees have confirmed compliance with the Code. This code is strictly adhere to. The Insider Code is available on the companies' website at <https://www.sunilhealthcare.com/code-of-conduct>
- o) Policies :-** The Company had made the following policies in addition to that which are mentioned in this report as per the requirement of the Companies Act-2013, SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, and erstwhile Listing Agreement :
- a) Prevention of Sexual Harassment of the Employee at Work Place Policy, a web link at [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and weblink can be accessed at [https://www.sunilhealthcare.com/uploads/filemanager/2884PreventionOf%20SEXUAL%20HARRASMENT%20POLICY02112018%20\(1\).pdf](https://www.sunilhealthcare.com/uploads/filemanager/2884PreventionOf%20SEXUAL%20HARRASMENT%20POLICY02112018%20(1).pdf)
  - b) Preservation and Archival of Documents Policy, which can be accessed at web link [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and weblink can be accessed at [https://www.sunilhealthcare.com/uploads/filemanager/6316shl-preservation-policy\\_compressed.pdf](https://www.sunilhealthcare.com/uploads/filemanager/6316shl-preservation-policy_compressed.pdf).
  - c) Policy for determination of material subsidiaries can be accessed at web link <https://www.sunilhealthcare.com/uploads/filemanager/9533q-7.pdf>
  - d) Board Evaluation policy, which can be accessed at <https://www.sunilhealthcare.com/uploads/filemanager/5816q-8.pdf>
  - e) Related Party Transaction policy, which can be accessed at weblink [https://www.sunilhealthcare.com/uploads/filemanager/2802Related%20Party%20Transaction%20Policy\\_30052019.pdf](https://www.sunilhealthcare.com/uploads/filemanager/2802Related%20Party%20Transaction%20Policy_30052019.pdf)
-

f) Policy on determination and Disclosure of Material Events/Informations, which can be accessed at <https://www.sunilhealthcare.com/uploads/filemanager/593final-policy.pdf>.

**p) Disclosure On Website :-** Following information has been disseminated on the website of the Company at [www.sunilhealthcare.com](http://www.sunilhealthcare.com):-

- i. Details of business of the Company
- ii. Terms and conditions of appointment of Independent Directors
- iii. Composition of various Committees of Board of Directors
- iv. Code of Conduct for Board of Directors and Senior Management Personnel
- v. Details of establishment of vigil mechanism/ Whistle Blower policy
- vi. Criteria of making payments to Non-Executive Directors (Mentioned in the Annual Report)
- vii. Policy on dealing with Related Party Transactions
- viii. Policy for determining 'material' subsidiaries
- ix. Details of familiarization programmes imparted to Independent Directors
- x. Details of Grievance Redressal officer and email address.
- xi. Contact information of the designated officials, who are responsible for handling investor grievances.
- xii. Financial informations eg. Notice of board meeting, financial results, outcome of the board meeting and complete Annual report
- xiii. Shareholding pattern
- xiv. Credit Rating
- xv. Policy for determination of materiality of events
- xvi. Board Evaluation policy

#### **(9) Compliance**

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance for the year ended 31.03.2022 as required by Schedule V of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, Is annexed with **Annexure H** with the Board's Report and forms a part of the Annual Report, The said certificate is sent to the Members and Stock Exchanges along with this Annual Report of the Company.

#### **(10) Non-mandatory requirements prescribed in SEBI (LORD) Regulations, 2015:**

The Company has complied with all mandatory requirements of Regulation SEBI (LORD) Regulations, 2015. The Company has also adopted following non-mandatory requirements:

1. Reporting of Internal Auditor

The Internal Auditor is directly reporting to members of the Audit Committee in respective Audit Committee Meeting.

#### **On Behalf of the Board**

#### **Reg. Office:**

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

#### **Anil Kumar Khaitan**

Chairman cum Managing Director & CEO

DIN-00759951

Place –New Delhi

Dated- 06<sup>th</sup> May , 2022

CIN No: L24302DL1973PLC189662

Phone No: +91-11-49435555/00 Fax no 011-43850087

Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)

Website: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

**SUNIL HEALTHCARE LIMITED****Regd. Office:** 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049**CIN-L24302DL1973PLC189662/Email:-** info@sunilhealthcare.com/**Webiste:** www.sunilhealthcare.com**Tel:-**+91-11-49435555/00, **Fax;** +91-11-43850087**MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:****1. OVERVIEW:**

Sunil Healthcare limited, having plant at Alwar; Rajasthan for manufacture of **Empty Hard Gelatin capsules shell and HPMC Capsules shell**. The company has commenced its manufacturing operation in the year 1976 with installed capacity of 200 million Hard Gelatin Capsule Shell, with gradual expansion, in the financial year 2017-18, the total installed capacity is raised 13 billion capsules p.a., In the first quarter of Financial year 2021-22, the Company increased its production capacity to 13.80 billion capsules p.a. and in 2<sup>nd</sup> quarter the installed capacity was increased to 15 billion capsules p.a. from 13.80 billion capsules p.a.

Your Company has navigated through Challenging Industrial landscape over the past few years and through several Operational Excellence initiatives, has strived towards increasing its market share in India and Overseas.

We remain hopeful of improving performance in the coming years.

The world has adapted uncertainty that has arisen out due to spread of various waves of the pandemic. The Pharmaceutical Industry has been forefront in the fight against the Covid-19.

The growth in GDP during 2021-22 is estimated at 8.7% as compared to a contraction of 6.6% in 2020-21.

Amidst several challenges like inclement Raw material pricing, coupled with demand side uncertainty is a deterrent on the earnings of the Company, however, the company has taken various steps to curb the cost and make its product more qualitative, affordable and competitive.

**2. INDUSTRY OUTLOOK:**

The product of the Company Hard 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.

As per estimates the Pharma industry currently employs about 5.5-5.7 lakh people. In spite of prevailing challenges in the Indian pharma sector, 58,000 additional job opportunities are likely to be created as the industry is expected to grow up to 45 per cent by 2025.

**Executive Summary**

Indian Pharma industry is expected to grow at 11 per cent in next two year. The Huge opportunity for jobs in pharma sector is visible as Indian Pharma Sector is expected to grow up to 45% by end of year 2025. The exports from India stood at US\$ 24.44 billion in FY21 and US\$ 22.21 billion in FY 2022 (Feb 2022).

India is benefited with blockbuster drugs going off patent and exclusive marketing right which aided the growth for Indian Export formulation period during 2011-12 to 2015-16, however due to wholesale consolidation in US market and rising competition, it had impacted substantially the formulation export players in the fiscal year 2017 and 2018, leading to a flat growth rate during the fiscal year 2018.

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025.

Pharmaceutical exports from India stood at US\$ 24.44 billion in FY21 and US\$ 22.21 billion in FY 2022 (Feb 2022). Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products,

surgical and Vaccines.

### Introduction

With a highly skilled workforce, technological advancements and Sales affected by the pandemic normalizing, Indian pharma industry is expected to grow at 11 per cent for next two years. The Huge opportunity for jobs in pharma sector is visible as Indian Pharma Sector is expected to grow up to 45% by end of year 2025. The exports from India stood at US\$ 24.44 billion in FY21 and US\$ 22.21 billion in FY 2022 (Feb 2022).

Globally as well as in India, the pharmaceutical industry is rapidly undergoing changes. The Indian pharmaceuticals market is the third largest in terms of volume and fourteen largest in terms of value. India has the second-highest number of US FDA approved plants outside the US. India enjoys an important position in the global pharmaceuticals sector.

Installed capacity of Empty Hard Gelatin Capsule in India is 100 billion capsule p.a.

### Advantage for Indian Pharmaceutical Industry:

In India, manufacturing cost is very much competitive as compared to western countries Pharmaceutical Industry i.e. lower than 33% as compared to US. The advantage to Indian Pharmaceutical Industry is shown as under with the help of chart:



The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms. The UN-backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine Tenofovir Alafenamide (TAF) for 112 developing countries.

### Market Size

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India's domestic pharmaceutical market is at US\$ 42 billion in 2021 and is expected to reach US\$ 65 billion by 2024 and further expand to reach US\$ 130 billion by 2030.

India's biotechnology industry comprises biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 70.2 billion in 2020 and is expected to reach US\$ 150 billion by 2025.

India's drugs and pharmaceuticals exports stood at US\$ 24.44 billion in FY21 and US\$ 22.21 billion (until February 2022).

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with the potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

The Pharmaceutical sector is expected to generate 58,000 additional job opportunities by the year 2025.

### **Investments**

Pharmaceutical is one of the top ten attractive sectors for foreign investment in India. 100% foreign investment is allowed under automatic route in Medical Devices. Foreign investments in pharmaceutical greenfield projects are allowed upto 100% under the automatic route and for brownfield pharmaceutical projects, foreign investment beyond 74% to upto 100% Government approval is required.

10 FDI proposals worth Rs. 7,860 crore under the brownfield pharmaceutical projects in the year 2021-22 (till Dec. 2021) was approved by Dept. of Pharmaceuticals.

The drugs and pharmaceuticals sector attracted cumulative FDI inflow worth US\$ 19.41 billion between April 2000 and March 2022 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

### **Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:**

- ✓ In April 2021, National Pharmaceutical Pricing Authority (NPPA) fixed the price of 81 medicines including off-patent anti-diabetic drugs allowing due benefits of patent expiry to the patients.
- ✓ In May 2021, the Government of India invited R&D proposals on critical components and innovations in oxygen concentrators by June 15, 2021.
- ✓ In May 2021, Indian Immunological Ltd. (IIL) and Bharat Immunological and Biologicals Corporation (BIBCOL) inked technology transfer pacts with Bharat Biotech to develop the vaccine locally to boost India's vaccination drive. The two PSUs plan to start production of vaccines by September 2021.
- ✓ In July 2021, Delhi Pharmaceutical Sciences and Research University (DPSRU) collaborated with All India Institute of Ayurveda (AIIA) to focus on the assessment of the application of ayurvedic and medicinal plant-based drugs in modern medicines.
- ✓ In August 2021, Glenmark collaborated with SaNOTize to introduce spray for COVID-19 treatment in India and other Asian markets.
- ✓ In September 2021, the Indian government contributed US\$ 4 billion to the pharmaceutical and medical industries.
- ✓ In March 2022, Themis Medicare Ltd. (Themis), announced the approval of its antiviral drug VIRALEX by the Drug Controller General of India (DCGI).
- ✓ Indian Pharma Sector logged 103% of growth in export in value terms over 8 years. In 2013-14 Indian Pharma export stood at INR 90,415 crores whereas in 2021-22, it was stood at INR 1,83,422 crores.

### **Government Initiatives**

Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- In April 2021, the Union Government decided to streamline and fast-track the regulatory system for COVID-19 vaccines that have been approved for restricted use by the US FDA, EMA, UK MHRA, PMDA Japan or those listed in the WHO Emergency Use Listing (EUL). This decision is likely to facilitate quicker access to foreign vaccines by India and encourage imports.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous



production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.

- As of August 31, 2021, the PLI scheme received a good response from the industry with a total of 278 applications. This is likely to benefit 55 manufacturers.
- The Department of Pharmaceuticals of The Government of India initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- The Government of India announced various PLI Scheme for pharmaceutical Sector in the financial year 2020-21, For giving boost to special Empty Capsule Shell eg. HPMC, Pullulan, enteric etc., The GOI announced PLI Scheme which will be applicable from Financial Year 2020-21 to Financial Year 2028-29.
- India could restart deliveries of COVID-19 shots to the global vaccine-sharing platform COVAX in November-December 2021 for the first time since April 2021. The World Health Organization (WHO), which co-leads COVAX, has been pushing India to resume supplies for the programme, particularly after it sent ~4 million doses to neighbours and allies in October 2021.
- Additional outlay of Rs. 197,000 crore (US\$ 26,578.3 million) that will be utilized over five years for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.
- In Union Budget 2022-23, the Ministry of Health and Family Welfare has been allocated Rs. 83,000 crore (US\$ 10.86 billion) and the Department of Health Research has been allocated Rs. 3,201 crore (US\$ 419.2 millions). The government allocated Rs. 37,000 crore (US\$ 4.83 billion) to the 'National Health Mission: PM Aatmanirbhar Swasth Bharat Yojana was allocated Rs. 64,180 crore (US\$ 8.80 billion) over six years. The Ministry of AYUSH was allocated Rs. 3,050 crore (US\$ 399.4 million), up from Rs. 2,970 crore (US\$ 389 million).
- India plans to set up a nearly Rs. 1 lakh crore (US\$ 1.3 billion) fund to provide a boost to companies to manufacture pharmaceutical ingredients domestically by 2023.
- In March 2022, under the Strengthening of Pharmaceutical Industry (SPI) Scheme, a total financial outlay of Rs. 500 crore (US\$ 665.5 million) for the period FY 21-22 to FY 25-26 were announced.
- As per Economic Survey 2020-21, Government expenditure (as a percentage of GDP) should increase to 1% to 2.5- 3% as envisaged in National Health Mission 2017.
- The National Health Protection Scheme is the largest Government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalization.
- Government of India unveiled 'Pharma Vision 2020' to make India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investment.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

### **Road Ahead**

Medicine spending in India is expected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian Pharmaceutical companies.

The Indian domestic pharmaceutical market size is at US\$ 42 billion in 2021 and is expected to reach US\$ 65 billion by the year 2024 and further expand to reach US\$ 130 billion by 2030. Pharmaceuticals export from India stood at around US\$ 24.42 billion in FY21-22. The industry has granted incentives totaling Rs. 21,940 crore, according to the statistics from the Government of India.

As per CRISIL Research, India's formulation exports to increase at 13-14% CAGR from fiscals 2020-25, compared to 6 to 7 % CAGR over the previous five years. This growth would be largely driven by vaccine sales and it may start to happen in FY 22, when India exports of Covid-19 vaccines. Vaccine share in overall formulation exports is expected to increase by over 4 times in next 4-5 years.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

### **3. OPPORTUNITIES:**

In meeting the global health challenge, the role of the pharmaceutical industry is of prime importance. With the current state of affairs, it's a harsh reminder of what's at stake and its responsibility. Even though 188 countries in the world continue to battle COVID-19, the more critical question is of the post-COVID-19 pandemic economic resurgence. Despite all the bad news, the Indian Pharmaceutical Industry needs to see the current Covid-19 crisis as an opportunity. This is the most opportune time for the pharmaceutical industry and the Indian government to implement the Katoch Committee recommendations to ensure self-reliance and implement many of the suggested incentives to position India as the global pharmaceutical hub. As indicated in a 2015 McKinsey report, The Indian pharmaceutical market will grow from a market size of USD 12.6 billion in 2009 to USD 55 billion by 2020, with the potential to reach USD 70 billion in an aggressive growth scenario, the main reason for growth are i) India has most US-FDA compliant plant outside US. ii) Government support in Innovation and R&D iii) strong drugs manufacturing experts at lower cost of manufacturing in India i.e. about 33% lower than US and iv) Launch of National Health Programme Ayushman Bharat has potential to grow Indian Pharma Sector.

In recent situation of Pandemic, Made-in-India drugs supplied to developed economies are known for their safety and quality. In recent years, India has seen increasing competition from China, which it has been able to leverage due to its inherent cost advantage, manufacturing intermediates and APIs at a cost much lower than those in India.

Prime Minister for promoting 'make in India' movement announced to the people become to vocal for local products. In response to the COVID-19 crisis, India's Union Cabinet has approved an investment package to boost the country's Pharma and API production and cut dependence on China. This is a major step in the creation of a self-sufficient healthcare ecosystem in the country.

it is expected that due to patent off of many companies the export from India will grow, new affordable pharmaceutical product will be invented for sustainable growth of Indian Pharmaceutical industry. It is also expected India's formulation exports to increase at 13-14% CAGR from fiscals 2020-25.

In the 2020-2030 period, we expect Indian pharma industry to grow at a compounded annual growth rate (CAGR) of 12% to reach at US\$130 bn by 2030 from US\$41.7 bn in 2020.

### **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 main challenges is to cope up with price war situation. Further, Regulatory framework w.r.t. import restriction from China, on which Indian Pharmaceutical Sector majorly dependent on it is one of the great challenges, and combating with the same your Company is already in process of developing supplier of its Raw material from other Countries.

**5. COMPANY OUTLOOK:**

Your company is the leading Hard shell capsule manufacturer in India and Pioneer in double lock and triple lock technology for capsules in India. The Company had started production of HPMC Capsule in August 2018 and in short span of time the sales brought in from HPMC have led to better performance. The Company has also started production of Pullulan Capsules.

Your Company is a **Certified Empty Hard Gelatin capsules shell and HPMC Capsules shell Manufacturer** in India providing the premium quality capsules to the clients. Your Company was certified by the WHO-GMP, ISO 9001:2015, ISO 14001:2015, ISO 18001:2007, ISO 22000:2005, Halal, and Kosher & USFDA for our quality standards. We manufacture the capsules at our state-of-the-art manufacturing unit under the observation of the scientific experts. The materials that we employ in the production obtained from the authorized vendors of the industry. Our capsules are 100% natural and safe as we have tested them on the predefined industrial international norms. Our quality experts ensure the best locking attributes which make the capsules perfect for any use.

Your company have Global Presence with Subsidiaries in USA and Mexico during the year.

The company is WHO-GMP certified Company and recognized Star Export House. With four decades of experience, and a strong brand equity "Sunloc", the company is a preferred vendor for large pharmaceutical companies. The company was the pioneer of double lock and Triple lock technology in India. With a strong focus on R &D, the company is constantly innovating its product line to cater to the industry requirements. The management is optimistic about the future outlook of the company in short, medium and long-term. The Company deals in Business segment of Manufacturing Empty Hard Capsule Shells and in nine sizes, which are 00, 0SEL, 0EL, 0,1,2,3, 4, 5. In this segment the company has reached to installed capacity of 15 billion capsules p.a. at the existing facility. The company enjoys immense credibility in various Global Market. The management of the company Continued focus on achieving cost optimization and yield improvements through Economies of Scale. The company also renewed interest in the business with an aim to become the one of the leading Hard Shell Capsule manufacturer in the world.

**6. RISK CONCERNS:**

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee. Detailed report on Risk Analysis is a part of this Annual Report. The details of the Risk management policy are available on the website of the company i.e. [www.sunilhealthcare.com](http://www.sunilhealthcare.com) and can be accessed at weblink <https://www.sunilhealthcare.com/uploads/filemanager/6741q-5.pdf>

**7. INTERNAL CONTROL SYSTEM AND ADEQUACY:**

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

**8. FINANCIAL PERFORMANCE:**

Sunil Healthcare reported Gross Revenues from operation ₹ 11636.72 lakhs, EBITDA of ₹ 1936.56 lakhs, PBT of ₹ 957.11 Lakhs and Profit after Tax (PAT) ₹ 677.68 Lakhs, other Comprehensive Income is (₹ 5.97) Lakh in the FY 2021-22.

The comparative financial analysis with previous financial year are as under:

- ✓ **Sales:** - The revenue from operation in the current year increased by 29.88%.

- ✓ **Earning Before Interest, Depreciation and Tax:** - EBITD increased by 64.52 % as compared to previous financial year.
- ✓ **Finance Cost:** - Finance cost decreased by 34.28% as compared to previous financial year.
- ✓ **Net Profit:** - The net profit increased by 2361.61 % as compared to previous year.
- ✓ **Other comprehensive Income (OCI)** decreased by 401.52% as compared to financial year 2020-21.
- ✓ **EPS:** The EPS increased by 2361.61 % as compared to previous financial year

## 9. HUMAN RESOURCES:

The well-disciplined workforce which has served the company for 47 years lies at the very foundation of the company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance. 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 programs and lectures by internal as well as external faculty.
- c. Regular Training programs are conducted comprising behavioral and technical programme.

Total 201 numbers of Employees are on roll of the company as on March 31, 2022.

## 10. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONGWITH EXPLANATIONS:

Ratios	Variation as compared to previous years with reason
Debtors Turnover	During the financial year 2021-22 Debtor Turnover ratio was more than 64 % as compared to financial year 2020-21, on account of decreased receivable cycle and increased Sales.
Inventory Turnover	During the Financial year 2021-22, Inventory Turnover was 47.3 % as compared to Previous financial year 2020-21 on account of better working capital Management.
Interest Coverage Ratio	During the Financial year 2021-22, Interest coverage ratio is increased by 354.9 % as compared to FY 2020-21. An extremely better management of Working Capital and reduction in finance cost.
Current Ratio	No significant changes in Current Ratio in FY 2021-22 as compared to FY 2020-21.
Debt Equity Ratio	Debt Equity Ratio in FY 2021-22 as compared to FY 2020-21 was decreased by 38.9% due to better management of Working Capital and reduction in finance cost.
Operating Profit Margin (%)	During the Financial year 2021-22, Operating Profit Margin Ratio is increased by 102.7% as compared to FY 2020-21, due to better sale price, efficient management of working capital and operational efficiency.
Net Profit Margin (%)	During the Financial year 2021-22, Net Profit Margin Ratio was increased by 1893.6% as compared to FY 2020-21, due to better sale price, efficient management of working capital and operational efficiency.
Return on Net worth	During the Financial year 2021-22, Return on Net worth was increased by 2059.8% as compared to FY 2020-21, due to better sale price, efficient management of working capital and operational efficiency.

## 11. QUALITY INITIATIVE

### A) 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 received the following certification in quality, which shows further, its quality standards:

<b>ISO –</b>	9001:2008-EMS	14001:2004 -EMS	18001:2007 OH&SM	22000:2005-OHSAS
<b>Facility –</b>	WHO-GMP	GMP-NSF / IPEC / ANSI 363	DMF TYPE IV	
<b>Product –</b>	Kosher	Halal	MSDS	TGA ,Australia.
<b>Process –</b>	GDP	5S Certificates.		
<b>Awards –</b>	Pharmexcil , Govt of India	Business Excellence Award 2015	Healthcare Leadership Award from ABP News One Star Export House Award 2016-17	

### CERTIFICATION-RAW MATERIAL (GELATIN)



### B) QUALITY FOCUS: Your Company had adopted below quality control measures at its plant in overall production

process till final disposal for making its capsules defect free:



- Internationally accepted measures;
- TPAM, 5 S, Jishu Hozen across production line;
- Six sigma for process control;
- Stringent in process quality checks;
- Statistical sampling and testing;
- Hourly Checks.
- Stringent quality Compliance measures adopted for zero defect capsules;
- Process R&D: Industry Leader for efficient utilization of primary Raw materials;
- Automatic Inspection Machines for automated visual inspection.

## 12. 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. The Company has successfully migrated its operations on the SAP. Through strict vigilance aided by controls and alerts, the Company aims to further improve its operations, bring in greater efficiencies, and further tighten internal controls and systems

## 13. CAUTIONARY STATEMENT:

Statement in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those either.

### On the behalf of Board

Anil Kumar Khaitan  
Chairman cum Managing Director & CEO  
DIN-00759951  
Place – New Delhi  
Dated- May 06, 2022

### SUNIL HEALTHCARE LIMITED

#### Reg. Office:

38E/252A, Vijay Tower, Shahpur Jat, New Delhi-110049

CIN No: L24302DL1973PLC189662  
Phone No: +91-11-49435555/00  
Fax no 011-43850087  
Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)  
Web: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

**References:**

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10. Pharma, healthcare industry looks to sustain momentum in 2022 - The Economic Times (indiatimes.com)
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**SUNIL HEALTHCARE LIMITED****Regd. Office:** 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049**CIN-L24302DL1973PLC189662/Email:-** info@sunilhealthcare.com/**Webiste:** www.sunilhealthcare.com**Tel:-**+91-11-49435555/00, **Fax;** +91-11-43850087**SUNIL HEALTHCARE LIMITED****RISK ANALYSIS****Risk Identification**

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The 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. The proportion of a particular customer should not be more than 35% of the total revenue from Domestic or Exports business at any point of time

- **Business segments**

The Company deals in Business segment of Manufacturing Hard Gelatin Capsule Shells. During the year 2017-18, installed capacity was increased to 13 billion capsules per year. In the first quarter of Financial Year 2021-22 the Production Capacity of manufacturing of Empty Hard Capsule shell increased to 13.80 billion p.a. and in 2nd quarter



the installed capacity increased to 15 billion capsules per annum from 13.8 billion capsules per annum.

- **Geographical Concentration of business.**

During the year 2021-22, total Exports was for about 24.51% of the Company's revenues. During current fiscal the Company is expecting to increase its exports sales share in total company's revenue. 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**

In the Current year about 40 % of the Company's revenue from capsules business is expected from export, 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.

- **Payable Management Risk**

The Company has defined credit policy duly approved and reviewed by the Management from time to time which is strictly monitored for its suppliers The Company is developing its new supplier/service providers on continuous basis so that for each item or service Company must have more than one supplier/customer to mitigate any risk associated therein. Contract for supply or material/service is also in place with supplier/service provider for short term to long term basis.

#### **Strategic Risk**

- **Proprietary risks/ contingencies**

The Company has initiated adequate insurance covers to hedge against natural risks in the business. These are assessed on a regular basis and the Company takes the best possible coverage of insurance from the well-established public and private sector insurance companies.

#### **Operational Risks**

- **Cost Competitiveness**

The Company has invested in large, world-class plants to encash economics of scale to enhance quality and reduce costs. Short term to long term contracts have been made with its suppliers/service provider to mitigate the risk of increasing inflation.

- **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. Team building and motivation oriented activities are in place to build a highly motivated

team with positive mindset.

- **Inventory Risk**

The Company has defined its inventory in three categories – Vital, Essential and Desirable (VED) with minimum inventory level of each item has been defined and duly placed in ERP software commensurate with the above mentioned three categories. Regular monitoring to keep the minimum inventory without effecting the business operation is also in place.

- **Raw Material & Energy Risk**

In the present competitive business scenario the risk of good quality and uninterrupted supply of raw material and energy within reasonable rate is vital. The Company has short term to long term contracts with raw material suppliers to ensure good quality and uninterrupted supply of material within in reasonable rate.

### **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 Board reviews the detailed Compliance Report on quarterly basis. The Company has cloud based compliance software where all the compliance related detail are in place to get the timely alert from the software perse to complete the compliance before the due dates.

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.

### **On behalf of the Board**

#### **Reg. Office:**

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

### **Anil Kumar Khaitan**

Chairman cum Managing Director & CEO  
DIN-00759951  
Place – New Delhi  
Dated- May 06, 2022

CIN No: L24302DL1973PLC189662  
Phone No: +91-11-49435555/00  
Fax no 011-43850087  
Email ID: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com)  
Web: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

**ANNEXURE - H**

To,

The Shareholders,  
M/s. Sunil Healthcare Limited  
38E/252A-Vijay Tower, 3<sup>rd</sup> floor,  
Panchsheel Commercial Complex,  
Shahpur Jat, New Delhi-110049

**Sub: CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**Ref: Regulation 34 (3) and Schedule V part C clause (10) (i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

In our Opinion and to the best of our information and according to the verifications and examination of the disclosures received under Section 184/189, 170, 164 and 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, [www.mca.gov.in](http://www.mca.gov.in), as considered necessary and explanations furnished by the Company and its officers, we certify that none of the Directors on the Board, mentioned hereunder, have been debarred or disqualified from being appointed or continuing as Director of company by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

S.No.	Name of Director	Designation	Director Identification No. (DIN)
1.	Mr. Anil Kumar Khaitan	Chairman & Managing Director	00759951
2.	Bejon Kumar Misra	Director (Independent)	01015633
3.	Mr. Rakesh Mohan	Director (Independent)	07352915
4.	Mr. Sanjay Kaushik	Director (Independent)	00329013
5.	Mrs. Mudita Chaturvedi	Director (Non-executive)	02384403
6.	Dr. (Mr.) Harish Pal Kumar	Director (Independent)	01826010
7.	Mr. Krishna Venkatachalam Rajan	Director (Non-Executive)	02777067

This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of certificate.

**For JAIN SHARMA & ASSOCIATES**

Company Secretaries,

**FCS TARA CHAND SHARMA**

PROPRIETOR

FCS No.:5749

CP No.: 4078

Place: Jaipur

Date: 06.05.2022

UDIN: F005749D000282828

**ANNEXURE I**

To

**The Board of Directors,**  
SUNIL HEALTHCARE LIMITED  
New Delhi  
Dear Sir(s),

**CEO/CFO CERTIFICATE UNDER REGULATION 17 (8) FOR FINANCIAL YEAR 2021-22**

We have examined the compliance of conditions of Corporate Governance of Sunil Healthcare Limited, having its registered office at 38 E/ 252-A, Vijay Tower, Shahpurjat, New Delhi-110049 for the year ended 31<sup>st</sup> March 2022 as stipulated in Regulation 17 (8) of SEBI ( Listing Obligation & Disclosure Requirement ) , Regulation, 2015 (Listing Regulation) of the Said Company with Stock Exchange.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the officials of the Company, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March 2022 and to the best of our knowledge and belief:
  - (i) **These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;**
  - (ii) **These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.**
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year 31<sup>st</sup> March 2022 are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:-
  - (i) There are no significant changes in internal control over financial reporting during the year;
  - (ii) There are no Significant changes in accounting policies during the year and
  - (iii) There are no Instances of fraud /significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **SUNIL HEALTHCARE LIMITED.**

**Place: New Delhi**  
**Date: 06.05.2022**

**ANIL KHAITAN**  
**(Chairman & Managing Director)**

**PAWAN RATHI**  
**(Chief Financial Officer)**

**SUNIL HEALTHCARE LIMITED**

**Regd. Off; - 38E/252-A, Vijay Tower, Shahpurjat, New Delhi-110049**  
**Email: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) / Website: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)**  
**CIN-L24302DL1973PLC189662**

**DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT**

To,

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

Pursuant to the requirements of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of Sunil Healthcare Limited have affirmed compliance with the Code of Business Conduct and Ethics for the year ended 31<sup>st</sup> March, 2022.

**Place : New Delhi**  
**Date : May 06, 2022**

**Anil Kumar Khaitan**  
**Chairman cum Managing Director & CEO**  
**DIN-00759951**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Sunil Healthcare Limited

**Report on the Audit of the Standalone Financial Statements**
**Opinion**

We have audited the accompanying standalone financial statements of Sunil Healthcare Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's Response
1	<b>Revenue Recognition</b> For the financial year ended 31 March, 2022, the Company has recorded revenue from operation amounting to Rs. 11,637.29 Lakhs as disclosed in Note 25 to the standalone financial statements. The accounting policies for revenue recognition are set out in Note 2.13 to the standalone financial statements of the Company. We have identified sales cut-off to be significant because of the high volume of transactions and the varying sales, contractual, commercial and billing terms. Revenue recognition is susceptible to the higher risk that the revenue is recognized when the control of goods has not been transferred to the customers.	<b>How our audit addressed the key audit matter:</b> We assessed the overall sales process and the relevant systems and the design of controls over the capture and recording of revenue transactions. We have tested the effectiveness of controls on the processes related to revenue recognition relevant to our audit. We performed sample testing on revenue and checked that the revenue recognition criteria are appropriately applied. We have also performed cut-off tests to ensure the Company has complied with proper cut-off procedures and revenue is recognized in the appropriate accounting period. We found the Company's revenue recognition to be consistent with its accounting policy. We are satisfied that the Company's revenue has been appropriately recognized and in the relevant accounting period.

<b>S.N.</b>	<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<b>2.</b>	<b>Valuation of inventories</b> We refer to Note 7 and 2.14 to the standalone financial statements. As at March 31, 2022, the total carrying amount of inventories was Rs. 993.43 Lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing and turnover rate.	<b>How our audit addressed the key audit matter:</b> We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;
    - ii. The Company did not have material foreseeable losses in long-term contracts including derivative contracts;
    - iii. There has been no amount which is required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv.
      - (A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
      - (B) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) above contain any material mis-statement
- v. The Company has not declared any dividend during the year therefore reporting regarding compliance of section 123 of the Companies Act, 2013 is not applicable

For JKVS & Co.  
Chartered Accountants  
Firm Reg. No. 318086E

Sajal Goyal  
Partner

Place : New Delhi  
Date : May 06, 2022

Membership No. 523903  
UDIN: **22523903AINWXA4923**

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**Annexure A to Independent Auditor's Report of even date to the members of Sunil Healthcare Limited on the Standalone Financial Statement as of and for the year ended on March 31, 2022 (refer to paragraph 1 of our report on the other legal and regulatory requirements)**

- (i) a (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has generally maintained proper records showing full particulars of intangible assets.
- b. The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified once in every three years. In accordance with this programme, property, plant and equipment were physically verified during the year and no material discrepancies were noticed.
- c. The title deed of immovable property disclosed in the financial statement is held in the name of the Company.
- d. On the basis of our examination of records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Therefore, provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder. Therefore, provisions of clause 3(i)(e) of the order are not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and records examined by us, the inventory has been physically verified by the management during the year and in our opinion, coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to the book records.  
(b) The Company has been sanctioned working capital limit from banks on the basis of security of current assets. There is a difference between books of account of the respective quarters and quarterly returns/ statements filed by the Company with the banks. Refer note no. 52 to the standalone financial statement.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Therefore, the provisions of clause 3(iii)(a) & (b) of the Order are not applicable to the Company.  
The Company has granted unsecured loan in earlier year to a body corporate and the terms & conditions of the grant of such loans are not, prima facie prejudicial to the interest of the Company. This loan and interest thereon are repayable on demand however it was informed to us that no demand for repayment of loan and interest was made during the year. For detail of loan granted on repayable on demand, refer note no. 51 to the standalone financial statement.
- (iv) The Company has not granted any loan or made investment or provided guarantee and security covered under section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service Tax, Duty of customs, Duty of excise,

Value Added Tax, Cess and other material statutory dues, where applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings where amount has been quantified:

Name of Statute	Nature of disputed dues	Amount * (Rs. in Lakhs)	Period to which it relates	Forum where dispute is pending
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	2.72	2011-2017	Provident Fund Department Delhi.

- (viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) (a) The Company has not defaulted in repayment of loans and in the payment of interest thereon during the year. Therefore, the provisions of clause 3(ix)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) Based on the books of account examined by us, term loans were applied for the purpose for which the loans were obtained during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis during the year have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- (f) According to the information and explanations given to us, the Company has not raised any loan during the year on pledge of securities held in its subsidiaries, joint ventures or associates.
- (x) (a) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Therefore, provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed and considering the principles of materiality outlined in Standards on Auditing for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor we have been informed of any such case by the management during the course of the audit.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management and based on our examination of the

records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

- (xiv) (a) Based on information and explanations given to us and our audit procedure applied, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act 2013. Therefore, the provisions of clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) According to the representations given by the management, there is no CIC as part of the Group.
- (xvii) The Company has not incurred cash loss in the current financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- (xviii) There has been no resignation of statutory auditor during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has no unspent amount relating to CSR activity, which is required to be transferred to a fund specified in Schedule VII to the Companies Act 2013. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.

For JKVS & Co.  
Chartered Accountants  
Firm Reg. No. 318086E

Sajal Goyal  
Partner

Place : New Delhi  
Date : May 06, 2022

Membership No. 523903  
UDIN: **22523903AINWXA4923**

**ANNEXURE B to Independent Auditor's Report of even date to the member of Sunil Healthcare Limited on the Standalone Financial Statement as of and for the year ended on March 31, 2022 (refer to in paragraph 2(F) of our report on other legal and regulatory requirements)**

We have audited the internal financial controls with reference to standalone financial statements of Sunil Healthcare Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial controls with reference to financial statements**

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial controls with reference to financial statements**

Because of the inherent limitations of Internal Financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JKVS & Co.  
Chartered Accountants  
Firm Reg. No. 318086E

Sajal Goyal  
Partner

Place : New Delhi  
Date : May 06, 2022

Membership No. 523903  
UDIN: **22523903AINWXA4923**

**Standalone Balance Sheet as at 31st March, 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3(i)	5,520.87	5,477.09
Capital work-in-progress		175.06	0.69
Right of Use Assets	3(ii)	1,458.84	1,483.00
Other Intangible assets	3(iii)	16.79	20.08
Intangible assets under development			
Financial Assets			
(i) Investments	4	116.28	120.34
(ii) Other financial assets	5	99.28	92.86
Other non-current assets	6	113.96	24.25
<b>Current assets</b>			
Inventories	7	993.43	1,126.27
Financial Assets			
(i) Trade receivables	8	2,199.86	2,778.52
(ii) Cash and cash equivalents	9	3.42	4.81
(iii) Bank balance other than (ii) above	10	319.26	772.62
(iv) Loans	11	30.32	29.40
(v) Other financial assets	12	59.48	162.28
Current Tax Assets (net)	13	7.10	16.27
Other current assets	14	104.37	247.96
<b>Total Assets</b>		<b>11,218.32</b>	<b>12,356.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	1,025.48	1,025.48
Other Equity	16	4,453.49	3,781.78
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	1,082.74	1,523.60
(ii) Lease Liability		21.75	44.19
Provisions	18	207.31	210.54
Deferred tax liabilities (Net)	19	680.69	555.04
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	2,339.52	3,389.62
(ii) Trade payables	21		
Total Outstanding dues of micro enterprises and small enterprises		213.61	97.29
Total Outstanding dues other than micro enterprises and small enterprises		614.57	1,170.09
(iii) Lease Liability		24.41	24.63
(iv) Other financial liabilities	22	68.44	57.55
Other current liabilities	23	352.85	383.24
Provisions	24	108.71	93.39
Current tax liabilities (Net)		24.75	-
<b>Total Equity and Liabilities</b>		<b>11,218.32</b>	<b>12,356.44</b>
Significant Accounting Policies and Other Notes on Standalone Financial Statements.	1-53		-
The accompanying Notes are an integral part of the Standalone Financial Statements.			

**As per our report attached of even date**

**For JKVS & Co.**  
Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**  
Partner  
M. No. 523903  
Place : New Delhi  
Date : 06th May, 2022

**For and on behalf of Board of Directors**

**Anil Khaitan**  
Chairman Cum Managing Director  
DIN No. 00759951

**Santosh Kumar Sharma**  
Company Secretary  
M. No. F6817

**Harish Pal Kumar**  
Director  
DIN No. 01826010

**Pawan Rathi**  
Chief Financial Officer



**Standalone Statement of Profit & Loss for the period ended 31st March, 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Notes	For the period ended 31st Mar, 2022	For the year ended 31st March, 2021
<b>I. REVENUES</b>			
Revenue from Operations	25	11,637.29	8,988.53
Other Income	26	155.42	562.07
<b>Total Revenues</b>		<b>11,792.71</b>	<b>9,550.60</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	27	4,290.14	3,261.55
Purchases of Stock in Trade		39.99	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	28	360.72	1,011.86
Employee Benefits Expense	29	1,418.97	1,229.52
Finance Costs	30	348.88	530.85
Depreciation and Amortization expense	30.1	630.57	611.30
Other Expenses	31	3,746.33	2,870.58
<b>Total Expenses</b>		<b>10,835.60</b>	<b>9,515.66</b>
<b>III. Profit/(Loss) before Tax (I-II)</b>		<b>957.11</b>	<b>34.94</b>
<b>IV. Tax Expenses:</b>			
(1) Current Tax			
Current Year		152.39	-
For earlier year		(0.91)	4.64
(2) Deferred Tax	19	127.95	2.77
<b>V. Profit/(Loss) after tax (III-IV)</b>		<b>677.68</b>	<b>27.53</b>
<b>VI. Other Comprehensive Income</b>			
(1) Items that will not be reclassified to profit & loss			
Remeasurement of defined benefit plan		(8.27)	2.74
Tax relating to above item		2.30	(0.76)
<b>Total Other Comprehensive Income for the year</b>		<b>(5.97)</b>	<b>1.98</b>
<b>VII. Total Comprehensive Income for the year (V+VI)</b>		<b>671.71</b>	<b>29.51</b>
<b>VIII. Earnings per Equity Share of Rs. 10/-Per share</b>	<b>32</b>		
Basic & Diluted		6.61	0.27
Significant Accounting Policies and Other Notes on Standalone Financials Statements.			
The accompanying Notes are an integral part of the Standalone Financial Statements.			

**As per our report attached of even date**
**For JKVS & Co.**

 Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**

 Partner  
M. No. 523903

 Place : New Delhi  
Date : 06th May, 2022

**For and on behalf of Board of Directors**
**Anil Khaitan**

 Chairman Cum Managing Director  
DIN No. 00759951

**Santosh Kumar Sharma**

 Company Secretary  
M. No. F6817

**Harish Pal Kumar**

 Director  
DIN No. 01826010

**Pawan Rathi**

Chief Financial Officer

**Standalone Cash Flow Statement for the year ended 31st March, 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>A. Cash Flow From Operating Activities</b>		
Profit before Tax from continued business	957.11	34.94
Adjustment for :		
Finance Costs	348.88	530.85
Depreciation and Amortization Expenses	630.57	611.30
Reversal of provision for loss allowances	(41.93)	(269.11)
Advances written off	-	31.43
Sundry balances written off	123.98	74.51
(Profit)/Loss on Sales/Discarded of Property ,Plant and Equipment	0.13	6.03
Interest Income	(21.63)	(31.75)
Fair valuation of Investments measured at FVTPL	(0.94)	(1.51)
Profit on sale of Investments measured at FVTPL	(5.33)	(0.70)
Bad debts	345.90	-
Unspent liabilities written back	(26.33)	(103.40)
Unrealised (gain)/loss foreign currency transactions and translation	(34.70)	4.89
<b>Operating profit before working capital changes</b>	<b>2,275.71</b>	<b>887.48</b>
Changes in working Capital:		
(Increase)/Decrease in Inventories	132.84	1,117.13
(Increase)/Decrease in Trade and other Receivables	334.87	459.87
Increase /(Decrease) in Trade and other payable	(436.54)	(819.68)
<b>Cash generation from Operation</b>	<b>2,306.88</b>	<b>1,644.80</b>
Refund/(Payment) of Direct Taxes	(117.55)	18.16
<b>Net Cash generated/ (used) - Operating Activities</b>	<b>2,189.33</b>	<b>1,662.96</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment & Intangible Assets including CWIP	(904.01)	(684.07)
Sale of Property, Plant and Equipment	1.96	13.40
Investment in Mutual Funds	(100.00)	(100.00)
Sale of Mutual Funds	110.33	5.70
Movement in Receivable from subsidiaries	89.21	12.29
Movement in Term Deposits	453.36	(406.27)
Interest Received	14.40	26.03
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(334.75)</b>	<b>(1,132.92)</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts from Non Current Borrowings	314.00	789.65
Repayment of Non Current Borrowings	(500.77)	(449.87)
Loan repaid to Director	(363.00)	-
Receipts/(Repayment) of Current Borrowings (Net)	(953.76)	(365.18)
Payment of lease liability	(22.66)	(16.91)
Finance Cost Paid	(329.78)	(599.40)
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<b>(1,855.97)</b>	<b>(641.71)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1.39)</b>	<b>(111.67)</b>
Add : Opening Cash and Cash Equivalents	4.81	116.48
Closing Cash and Cash Equivalents	<b>3.42</b>	<b>4.81</b>

Note:

- Cash & Cash Equivalents represents cash and bank balances.(Note No.9)
- Figures for the previous year have been regrouped/rearranged wherever considered necessary.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows"
- Movement of Liabilities covered under Financing Activities as per IND AS - 7 is given in Note No 45.

The accompanying Notes are an integral part of the Standalone Financial Statements.

**As per our report attached of even date**
**For JKVS & Co.**

 Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**

 Partner  
M. No. 523903

 Place : New Delhi  
Date : 06th May, 2022

**For and on behalf of Board of Directors**
**Anil Khaitan**

 Chairman Cum Managing Director  
DIN No. 00759951

**Santosh Kumar Sharma**

 Company Secretary  
M. No. F6817

**Harish Pal Kumar**

 Director  
DIN No. 01826010

**Pawan Rathi**

Chief Financial Officer

**Standalone Statement of Change in Equity for the year ended 31st March 2022**

(All amounts are in rupees lakhs, unless otherwise stated)

	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Equity Share Capital &amp; Reconciliation of number of shares outstanding at the beginning and end of the year:</b>				
Balance at the beginning of the year	10,254,750	1,025.48	10,254,750	1,025.48
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>10,254,750</b>	<b>1,025.48</b>	<b>10,254,750</b>	<b>1,025.48</b>
<b>(b) Other Equity</b>				

Particulars	Reserves and Surplus				Total
	Capital Redemption Reserve	Retained earnings	Other Comprehensive Income		
			Remeasurement of defined benefit plans	Revaluation Reserve on Leasehold Land (Right of Use Assets)	
Balance at April 1, 2020	7.50	3,450.14	-	294.63	3,752.27
Profit/(Loss) for the year		27.53		-	27.53
Other Comprehensive Income for the year		1.98	-	-	1.98
Total Comprehensive Income for the year	7.50	29.51	-	294.63	3,781.78
Balance at March 31, 2021	7.50	3,479.65	-	294.63	3,781.78
Profit/(Loss) for the year	-	677.68			677.68
Other Comprehensive Income for the year	-	(5.97)		-	(5.97)
Total Comprehensive Income for the year	7.50	671.71	-	294.63	4,453.49
Balance at March 31, 2022	7.50	4,151.36	-	294.63	4,453.49

**Capital Redemption Reserve:** It represents the redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

**Revaluation Reserve on Leasehold Land (Right of Use Assets):** It represents gain on revaluation of leasehold land (refer note no. 39 (B) (i)).

The accompanying Notes are an integral part of the Standalone Financial Statements.

**As per our report attached of even date**

**For and on behalf of Board of Directors**

**For JKVS & Co.**  
Chartered Accountants  
Firm Reg. No. 318086E

**Anil Khaitan**  
Chairman Cum Managing Director  
DIN No. 00759951

**Harish Pal Kumar**  
Director  
DIN No. 01826010

**Sajal Goyal**  
Partner  
M. No. 523903

**Santosh Kumar Sharma**  
Company Secretary  
M. No. F6817

**Pawan Rathi**  
Chief Financial Officer

Place : New Delhi  
Date : 06th May, 2022

**Notes to Standalone Financial Statements for the year ended 31st March, 2022**

(All amounts are in rupees lakhs, unless otherwise stated)

**1 Reporting Entity**

Sunil Healthcare Limited referred as “the Company” is domiciled in India. The registered office of the Company is at 38E/252A, Vijay Tower, Shahpurjat, New Delhi. Equity shares of the Company are listed in India on the BSE Limited and the Calcutta stock exchange.

The Company has manufacturing plant in Alwar (Rajasthan), India . The Company is a manufacturer of Empty Hard Gelatin , HPMC Capsule Shells & Ayurvedic Medicines.

The financial Statments are approved for issue by Board of Directors of Company at the meeting held on 6th May , 2022.

**2 Significant Accounting Policies**

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard.

**2.1 Statement of Compliance**

The standalone financial statements of Sunil Healthcare Limited (“the Company”) comply in all material aspects with Indian Accounting Standards (“Ind AS”) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

**2.2 Basis of measurement**

The financial statements have been prepared under the historical cost convention on accrual basis except for the followings :

- Non-current borrowings are initially measured at amortized cost.
- Investments other than investment in subsidiaries are measured at fair value at each reporting date.
- Derivative instruments are measured at fair value
- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.
- Revaluation of leasehold land (Right of use assets)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** : inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- **Level 2** :inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** : inputs are unobservable inputs for the asset or liability.

**2.3 Functional and presentation currency**

These financial statements are presented in Indian National Rupee (‘INR’), which is the Company’s functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

## **2.4 Use of judgements and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### **Judgements**

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible Assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Uncertainty relating to the global health pandemic
- Assessment of recoverability of receivables and advances and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

## **2.5 Classification of Assets and Liabilities as Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

### **An asset is treated as current when it is:**

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or

### **An liability is treated as current when it is:**

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

The Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## **2.6 Property, Plant and Equipment (PPE)**

### **Recognition and Measurement**

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready for intended use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

### **Subsequent Measurement**

Subsequent expenditure is capitalised only if it is probable that there is a future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably.

### **Depreciation**

Depreciation on PPE is calculated on Straight Line Method using the rates arrived at estimated useful lives given in Schedule II of the Companies Act, 2013 or assessed by the Company on technical evaluation, as given below.

#### **Plant and Machinery**

Capsule Manufacturing Machines - 40 Years (single shift)

Capsule Printing Machines - 40 Years (single shift)

#### **Electrical Installation**

33KV Transformer - 40 Years (single shift)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### **Capital work-in-progress**

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

### **De-recognition**

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the assets and it recognised in the Statement of Profit and Loss.

## **2.7 Intangible assets**

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 6 years and Patent is considered as 10 years.

Amortisation methods and useful lives are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

## **2.8 Non-current assets held for sale**

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

## **2.9 Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

## **2.10 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs includes unwinding charges of redeemable preference shares.

## **2.11 Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated

using the exchange rates at the date when the fair value is determined.

## **2.12 Employee benefits**

### **Short term employee benefits**

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **Defined contribution plans**

Employee benefits in the form of Provident Fund (with Government Authorities) is defined as contribution plan and charged as expenses during the period in which the employees perform the services.

### **Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI and such re-measurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:”

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### **Other long-term employee benefits**

The company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

## **2.13 Revenue Recognition**

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer or its agent and the Company is entitled to receive payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales



agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/ GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer, wherever applicable.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

#### **2.14 Inventories**

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade and Stores & Spares are valued at the lower of cost and net realizable value except scrap/waste which are value at net realizable value. The cost is computed on FIFO basis. Finished Goods and work in progress Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale."

#### **2.15 Provisions, Contingent Liabilities and Contingent Assets**

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

#### **2.16 Measurement of fair value**

##### **a) Financial instruments**

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

##### **b) Marketable and non-marketable equity securities**

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

##### **c) Derivatives**

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date.

##### **d) Leasehold land**

Fair valuation of leasehold land at revaluation date is estimated by the independent valuer in accordance with measurement principles as prescribed in Indian Accounting Standards (IND AS).

**2.17 Financial instruments****Financial Assets****Initial recognition and measurement**

All financial assets are recognised initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classifications**

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Financial assets at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

**Financial assets at fair value through Other Comprehensive Income (FVOCI)**

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

**Financial assets at fair value through Profit & Loss (FVTPL)**

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVTPL criteria, as at FVOCI. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**Equity Instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (a) the company has transferred substantially all the risks and rewards of the asset, or
- (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.”

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

#### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial Liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**Derecognition of financial liabilities**

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

**2.18 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or expected to be enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period."

**2.19 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the

Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognised as expense in the periods in which they are incurred.

**Lease Liability**

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease. Premium on Leasehold land is being amortised over the period of lease tenure.

Leasehold land is revalued at interval of every 4 years to reflect current fair value. Refer foot note "Revaluation Reserve on Leasehold Land (Right of Use Assets)" in Statement of change in Equity.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'."

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

## **2.20 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

## **2.21 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company.

## **2.22 Earning Per Share (EPS)**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

## **2.23 Standard issued but not yet effective**

Ministry of Corporate Affairs ("MCA") has not notified new standard which would have been applicable from April 1, 2022.

However, on March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, The effect of those amendments is not material to the Company.

**Notes to Standalone Financial Statements for the year ended 31st March 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

**3 (i) Property, Plant and Equipment**

Particulars	Buildings	Plant and Equipment	Electric Installations	Furniture and Fixtures	Office Equipments	Art Work	Vehicles	Total	Capital in Progress
<b>Gross Block</b>									
<b>As at 31st March 2020</b>	<b>544.84</b>	<b>5,834.08</b>	<b>329.92</b>	<b>340.22</b>	<b>42.49</b>	-	<b>481.43</b>	<b>7,572.98</b>	<b>0.69</b>
Additions	12.11	499.50	13.85	5.85	2.35	-		533.66	284.61
Deductions/ Adjustments		5.00		0.01	3.66	-		8.67	284.61
<b>As at 31st March 2021</b>	<b>556.95</b>	<b>6,328.58</b>	<b>343.77</b>	<b>346.06</b>	<b>41.18</b>	-	<b>481.43</b>	<b>8,097.97</b>	<b>0.69</b>
Additions	58.28	461.95	51.74	47.80	10.96	5.04	12.79	648.56	786.04
Deductions/ Adjustments		1.57		0.67	7.08			9.32	611.67
<b>As at 31st March 2022</b>	<b>615.23</b>	<b>6,788.96</b>	<b>395.51</b>	<b>393.19</b>	<b>45.06</b>	<b>5.04</b>	<b>494.22</b>	<b>8,737.21</b>	<b>175.06</b>
<b>Accumulated Depreciation</b>									
<b>As at 31st March 2020</b>	<b>90.83</b>	<b>1,458.57</b>	<b>109.62</b>	<b>132.82</b>	<b>26.95</b>	-	<b>209.39</b>	<b>2,028.18</b>	-
Additions	23.74	435.11	31.71	34.09	5.17	-	59.87	589.69	-
Deductions/ Adjustments		(4.99)			1.98	-		(3.01)	-
<b>As at 31st March 2021</b>	<b>114.57</b>	<b>1,898.67</b>	<b>141.33</b>	<b>166.91</b>	<b>30.14</b>	-	<b>269.26</b>	<b>2,620.88</b>	-
Additions	23.27	450.67	33.86	35.09	4.38	-	54.46	601.72	-
Deductions/ Adjustments		(0.83)		0.64	6.46	-		6.27	-
<b>As at 31st March 2022</b>	<b>137.84</b>	<b>2,350.17</b>	<b>175.19</b>	<b>201.36</b>	<b>28.06</b>	-	<b>323.72</b>	<b>3,216.34</b>	-
<b>Net block</b>									
<b>As at 31st March 2021</b>	<b>442.38</b>	<b>4,429.91</b>	<b>202.44</b>	<b>179.15</b>	<b>11.04</b>	-	<b>212.17</b>	<b>5,477.09</b>	<b>0.69</b>
<b>As at 31st March 2022</b>	<b>477.39</b>	<b>4,438.79</b>	<b>220.32</b>	<b>191.83</b>	<b>17.00</b>	<b>5.04</b>	<b>170.50</b>	<b>5,520.87</b>	<b>175.06</b>

**Note:**

- Assets pledged and Hypothecated against borrowings: (Refer note no.17 and 20)
- Vehicle Includes Rs. 130.85 lakhs (31st March 2021- Rs. 256.34 Lakhs) carrying amount are hypothecated against the finance scheme from banks.
- For Capital work in progress aging refer note no 48.

### 3 (ii) Right of Use Assets

Particulars	Leasehold Land	Buildings	Total
<b>Gross Block</b>			
<b>As at 31st March 2020</b>	<b>1,414.64</b>	<b>27.94</b>	<b>1,442.58</b>
Recognised as on 01st April 2020	-	72.44	72.44
Deductions/ Adjustments		27.94	27.94
<b>As at 31st March 2021</b>	<b>1,414.64</b>	<b>72.44</b>	<b>1,487.08</b>
Deductions/ Adjustments		-	-
<b>As at 31st March 2022</b>	<b>1,414.64</b>	<b>72.44</b>	<b>1,487.08</b>
<b>Accumulated Depreciation</b>			
<b>As at 31st March 2020</b>	<b>0.03</b>	<b>15.24</b>	<b>15.27</b>
Additions	0.01	16.74	16.75
Deductions/ Adjustments	-	27.94	27.94
<b>As at 31st March 2021</b>	<b>0.04</b>	<b>4.04</b>	<b>4.08</b>
Additions	0.01	24.15	24.16
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2022</b>	<b>0.05</b>	<b>28.19</b>	<b>28.24</b>
<b>Net block</b>			
<b>As at 31st March 2021</b>	<b>1,414.60</b>	<b>68.40</b>	<b>1,483.00</b>
<b>As at 31st March 2022</b>	<b>1,414.59</b>	<b>44.25</b>	<b>1,458.84</b>

# Refer note 39 (B) (i).

### 3 (iii) Intangible Assets

Particulars	Software	Patent	Total
<b>Gross Block</b>			
<b>As at 31st March 2020</b>	<b>30.54</b>	<b>20.43</b>	<b>50.97</b>
Additions	-	-	-
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2021</b>	<b>30.54</b>	<b>20.43</b>	<b>50.97</b>
Additions	1.40	-	1.40
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2022</b>	<b>31.94</b>	<b>20.43</b>	<b>52.37</b>
<b>Accumulated Depreciation</b>			
<b>As at 31st March 2020</b>	<b>19.47</b>	<b>6.55</b>	<b>26.02</b>
Additions	2.83	2.04	4.87
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2021</b>	<b>22.30</b>	<b>8.59</b>	<b>30.89</b>
Additions	2.65	2.04	4.69
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2022</b>	<b>24.95</b>	<b>10.63</b>	<b>35.58</b>
<b>Net block</b>			
<b>As at 31st March 2021</b>	<b>8.24</b>	<b>11.84</b>	<b>20.08</b>
<b>As at 31st March 2022</b>	<b>6.99</b>	<b>9.80</b>	<b>16.79</b>

#### Note

(i) Patent is pending for registration with respective department.



		<b>As at</b>	
		<b>31st March 2022</b>	<b>31st March 2021</b>
<b>4</b>	<b>Investments</b>		
<b>A.</b>	<b>Investment in Equity Instruments (Unquoted, fully paid up) measured at cost</b>		
	<b>Subsidiary Companies</b>		
	2,999 Equity Shares (31st March 2021-2,999 shares) of MXP 1 per each of Sunil Healthcare Mexico SA.De. CV.	0.10	0.10
	2,000 Equity Shares (31st March 2021-2,000 shares) of USD 10 per each of Sunil Healthcare North America LLC	12.91	12.91
<b>B.</b>	<b>Investment in Mutual Fund (Unquoted) (valued at fair value through profit &amp; loss)</b>		
	Nil Units (31st March 2021-50,000 units) of SBI Dual Advantage Fund-Series XXIV- Regular	-	5.96
	Nil Units (31st March 2021-3,11,236.51 Units) of SBI Saving Fund - 079B	-	101.37
	4,99,975.01 Units (31st March 2021- Nil units) of Rs. 10 each of SBI Saving Fund (652G)	51.43	-
	2,49,262.15 Units (31st March 2021- Nil Units) of Rs. 10 each of SBI Balance Advantage Fund-Regular Fund	25.69	-
	43,479.57 Units (31st March 2021- Nil Units) of Rs. 57.50 each of SBI Blue Chip Fund-Regular Plan-Growth	26.15	-
		<b>116.28</b>	<b>120.34</b>
<b>a.</b>	<b>Aggregate amount of investments are given below:</b>		
	Aggregate book value of unquoted investments	<b>116.28</b>	<b>120.34</b>
<b>5</b>	<b>Other Non-Current Financial Assets</b>		
	<b>(Unsecured, Considered Good Unless Stated Otherwise)</b>		
	Security Deposits	99.28	92.86
		<b>99.28</b>	<b>92.86</b>
<b>6</b>	<b>Other Non-Current Assets</b>		
	Deposit under protest	0.81	7.94
	Capital Advances	98.28	10.47
	Prepaid Expenses	14.87	5.84
		<b>113.96</b>	<b>24.25</b>

		<b>As at</b>	
		<b>31st March 2022</b>	<b>31st March 2021</b>
<b>7</b>	<b>Inventories</b>		
	<b>(Valued at Lower of Cost and Net Realisable Value)</b>		
	<b>(As taken, Valued and Certified by the Management)</b>		
	Raw materials	367.71	61.60
	Work in progress	262.59	597.25
	Finished goods	99.19	132.06
	Capsule - Scrap	10.06	1.45
	Stores and spares	253.88	333.91
		<b>993.43</b>	<b>1,126.27</b>
	a. Inventories are hypothecated to secure short-term borrowings. Refer to Note No. 20.		
<b>8</b>	<b>Trade Receivables</b>		
	Unsecured Considered Good	2,199.86	2,778.52
	Have Significant increase in Credit Risk	187.92	229.85
		<b>2,387.78</b>	<b>3,008.37</b>
	Less : Provision for loss allowance	187.92	229.85
		<b>2,199.86</b>	<b>2,778.52</b>

Ageing for Trade Receivables - Non current outstanding as at March 31 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payments					Total
		Less Than 6 Months	6 Month to 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) Undisputed Trade Receivables-Considered Goods	1,515.64	173.49	146.00	117.68	169.87	77.18	2,199.86
2) Undisputed Trade Receivables-Which have Significant Increase in Credit Risk	-	25.28	-	15.69	7.20	139.75	187.92
3) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
4) Disputed Trade Receivables-Considered Goods	-	-	-	-	-	-	-
5) Disputed Trade Receivables-Which have Significant Increase in Credit Risk	-	-	-	-	-	-	-
6) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,515.64</b>	<b>198.77</b>	<b>146.00</b>	<b>133.37</b>	<b>177.07</b>	<b>216.93</b>	<b>2,387.78</b>

Unbilled trade receivables is Nil as at March 31, 2022.

Ageing for Trade Receivables - Non current outstanding as at March 31 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payments					Total
		Less Than 6 Months	6 Month to 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) Undisputed Trade Receivables-Considered Goods	1,763.98	269.15	131.23	227.13	291.89	95.14	2,778.52
2) Undisputed Trade Receivables-Which have Significant Increase in Credit Risk	-	29.96	-	16.33	54.77	128.79	229.85
3) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
4) Disputed Trade Receivables-Considered Goods	-	-	-	-	-	-	-
5) Disputed Trade Receivables-Which have Significant Increase in Credit Risk	-	-	-	-	-	-	-
6) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,763.98</b>	<b>299.11</b>	<b>131.23</b>	<b>243.46</b>	<b>346.66</b>	<b>223.93</b>	<b>3,008.37</b>

Unbilled trade receivables is Nil as at March 31, 2021.

		As at	
		31st March 2022	31st March 2021
<b>9</b>	<b>Cash and Cash Equivalents</b>		
	Cash on hand	3.01	0.70
	Balances with Banks		
	On Currents Accounts	0.41	4.11
	Term Deposits having original maturity less than 3 months	-	-
		<b>3.42</b>	<b>4.81</b>
<b>10</b>	<b>Other Bank Balances</b>		
	Term Deposits having maturity less than 12 months	-	200.00
	Term Deposits having maturity less than 12 months (pledged against Guarantee / Margin money)	319.20	572.56
		<b>319.20</b>	<b>772.56</b>
	Deposit with Post Office	0.06	0.06
		<b>319.26</b>	<b>772.62</b>
<b>11</b>	<b>Loans</b>		
	<b>(Unsecured, Considered Good Unless Stated Otherwise)</b>		
	Loan to a Subsidiary Company	30.32	29.40
		<b>30.32</b>	<b>29.40</b>
	Refer Note No. 38 for Related party disclosures.		

		As at	
		31st March 2022	31st March 2021
<b>12 Other Current Financial Assets</b>			
Accrued Interest*		31.07	23.41
Other receivables		0.94	21.57
Recoverable from Subsidiary Companies*		27.47	117.30
		<b>59.48</b>	<b>162.28</b>
*Refer Note No. 38 for Related party disclosures.			
<b>13 Current Tax Assets (Net)</b>			
Advance tax and TDS deducted at source (Net of provision of income tax)		7.10	16.27
		<b>7.10</b>	<b>16.27</b>
<b>14 Other Current Assets</b>			
Prepaid Expenses		35.77	52.66
Export Incentive Receivable		-	52.84
Other Advances		50.40	82.47
Input Tax Credit		10.15	42.35
Others *		8.05	17.64
		<b>104.37</b>	<b>247.96</b>
* Others includes advance against expenses and advance to employees.			
<b>15 Equity Share Capital</b>			
<b>A. Authorized, Issued, Subscribed and Paid-up Share Capital</b>			
<b>Authorized:</b>			
1,08,00,000 (31st March 2021 - 1,08,00,000) equity			
Shares of Rs 10 /-each.		1,080.00	1,080.00
6,20,000 (31st March 2021 - 6,20,000) Redeemable Non Cumulative and Non Participatory		620.00	620.00
Preference Shares of Rs 100/- each #			
		<b>1,700.00</b>	<b>1,700.00</b>
<b>Issued, Subscribed and Paid up:</b>			
1,02,54,750 (31st March 2021 - 1,02,54,750) Equity Shares of Rs 10 /-each fully paid up		1,025.48	1,025.48
		<b>1,025.48</b>	<b>1,025.48</b>

# For subscribed and paid up (Refer Note No 15C)

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

	2021-22		2020-21	
	Numbers	Rs in Lakhs	Numbers	Rs in Lakhs
Equity Shares outstanding at the beginning of the year	10,254,750	1,025.48	10254750	1,025.48
Addition during the year	-	-	-	-
Equity Shares outstanding at the end of the year	<b>10,254,750</b>	<b>1,025.48</b>	<b>10254750</b>	<b>1,025.48</b>

**C Terms/Right, Preferences and Restrictions 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.

**D List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)**

Name of shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	Percentage of Holding	Percentage of Holding	No. of Shares held
Mr. Anil Kumar Khaitan	5,942,494	57.95%	5,942,494	57.95%
M/S Magnum Computer Private Limited	1,327,211	12.94%	1,327,211	12.94%
M/S SNK Executive Search Pvt Ltd	543,690	5.30%	543,690	5.30%

**E Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2022 is as follows:

Name of the shareholder	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Mr. Anil Kumar Khaitan	5,942,494	57.95	5,942,494	57.95	-
Mrs. Renu Modi	270,600	2.64	270,600	2.64	-
M/S Magnum Computer Private Limited	1,327,211	12.94	1,327,211	12.94	-
	<b>7,540,305</b>	<b>73.53</b>	<b>7,540,305</b>	<b>73.53</b>	

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2021 is as follows:

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Mr. Anil Kumar Khaitan	5,942,494	57.95	5,942,494	57.95	-
Mrs. Renu Modi	270,600	2.64	270,600	2.64	-
M/S Magnum Computer Private Limited	1,327,211	12.94	1,327,211	12.94	-
	<b>7,540,305</b>	<b>73.53</b>	<b>7,540,305</b>	<b>73.53</b>	

		As at	
		31st March 2022	31st March 2021
<b>16</b>	<b>Other Equity</b>		
(i)	<b>Capital Redemption Reserve</b>		
	Balance at the beginning of the year	7.50	7.50
	Addition/ (Transfer) during the year	-	-
		<b>7.50</b>	<b>7.50</b>
(ii)	<b>Retained Earnings</b>		
	Balance at the beginning of the year	3,479.65	3,450.14
	Add: Profit/(Loss) during the year	677.68	27.53
	Add: Remesurement of defined benefit plan	(5.97)	1.98
		<b>4,151.36</b>	<b>3,479.65</b>
	<b>Total Reserve and Surplus (i to ii)</b>	<b>4,158.86</b>	<b>3,487.15</b>
	<b>Revaluation Reserve on Leasehold Land (Right of Use Asset)/ FCTR</b>		
	Balance at the beginning of the year	294.63	294.63
	Addition during the year	-	-
		<b>294.63</b>	<b>294.63</b>
	<b>Total Other Equity</b>	<b>4,453.49</b>	<b>3,781.78</b>
<b>17</b>	<b>Borrowings - Non- current</b>		
	<b>Secured</b>		
	<b>Term Loans</b>		
	From Banks	802.44	628.00
	From Financial Institution	226.98	472.19
	<b>Vehicle Loans</b>		
	From Banks	7.50	68.21
	From Others	11.70	15.09
	<b>Unsecured</b>		
	<b>Term Loans</b>		
	From Banks	7.89	25.21
	From Bodies Corporate	31.00	46.00
	From Financial Institution	5.77	23.25
	From a Director	318.00	681.00
	Redeemable Preference Shares (refer note C)	100.46	87.18
		<b>1,511.74</b>	<b>2,046.13</b>

		As at	
		31st March 2022	31st March 2021
<b>17</b>	<b>Borrowings - Non- current (Contd...)</b>		
	<b>Less: Current Maturities of Non Current Borrowings</b>		
	<b>Secured</b>		
	<b>Term Loans</b>		
	From Banks	209.33	122.11
	From Financial Institution	164.59	252.53
	<b>Vehicle Loans</b>		
	From Banks	7.50	60.71
	From Financial Institution	4.25	3.66
	<b>Unsecured</b>		
	<b>Term Loans</b>		
	From Banks	7.89	18.71
	From Financial Institution	4.44	18.80
	From Bodies Corporate	31.00	46.00
		<b>429.00</b>	<b>522.53</b>
		<b>1,082.74</b>	<b>1,523.60</b>

**Notes:**
**A. Security**

- Term loans of Rs. 1029.42 Lakhs are secured by specific movable or immovable plant, property and equipment financed by lender. The same is also personally guaranteed by Chairman cum Managing Director and a relative.
- Vehicle loan are secured by specific vehicle financed by respective banks and financial Institution.

**B. Repayment of term loans and Rate of interest**

- Term loans of Rs. 122.98 Lakhs (31st March 2021 - Rs. 349.48 lakhs) from financial institution is repayable in 7 monthly installment (Previous year- 19 Installment) and carries interest rate ranging 10% to 12.3% per annum. Term Loan of Rs. 104 Lakhs taken ( 31st March 2021- Rs. 124.80 lakhs) from financial institution is repayable in 30 monthly installments ( Previous year-36 Installments) and carries interest rate ranging from 10% -11.5% per annum
- Term Loan of Rs. 488.44 Lakhs (31st March, 2021 - Rs. 628 lakhs) is repayable in 28 monthly installment (Previous year - 36 Installments) and carries interest rate 7.4% per annum.  
Term Loan of Rs 314.00 Lakhs from a Bank taken during the year is repayable in 36 monthly installments starting from November 2023 and carries interest rate of 7.40% per annum.
- Vehicle loan of Rs. 19.2 Lakhs (31st March, 2021 - Rs. 83.30 lakhs) is repayable in 24 monthly installment (Previous year - 36 Installments) and carries interest rate ranging 9 % to 15% per annum.
- Unsecured term loan of Rs. 13.66 Lakhs (31st March 2021 - Rs. 48.46 lakhs) from Bank/financial institutions is repayable in 5 monthly installment (Previous year - 17 Installments) and carries interest rate ranging 17%-18.25% per annum.
- Unsecured loan of Rs. 318.00 Lakhs (31st March 2021 - Rs. 681.00 lakhs) from a director are repayable in the year 2024 and carries interest rate ranging 9.25% per annum.

	As at	
	31st March 2022	31st March 2021
<b>C. Terms/Right, Preferences and Restrictions attached to Preference shares</b>		
(i) 5,82,500 (31st March 2021 - 5,82,500) Redeemable Non Cumulative and Non Participatory Preference Shares of Rs 100/- each*	582.50	582.50
Premium on above preference shares*	582.50	582.50

\* Refer Note No 39 (B)(ii)

**(ii) Reconciliation of Preference Shares outstanding at the beginning and at the end of year are given below:**

	2021-22		2020-21	
	Numbers	Rs in Lakhs	Numbers	Rs in Lakhs
Preference Shares outstanding at the beginning of the year	582,500	582.50	582,500	582.50
Add: Issued during the year	-	-	-	-
Preference Shares outstanding at the end of the year	<b>582,500</b>	<b>582.50</b>	<b>582,500</b>	<b>582.50</b>

The Company has issued 5,82,500, 0.01% Redeemable non cumulative preference shares of Rs. 100 each at a premium of Rs. 100 each and are redeemable at a premium of Rs. 100 each which are redeemable at a premium of Rs. 100 each upon expiry of 20 years from the date of allotment i.e. 4th July, 2019. These preference share holders have priority over equity share holders on dividend payment and capital repayment in case of winding up of the Company. The voting rights of the persons holding the Preference Shares shall be in accordance with the provisions of Section 47 and other applicable provisions, if any, of the Companies Act, 2013.

**18 Provisions - Non-Current**

Employees Benefits	207.31	210.54
	<b>207.31</b>	<b>210.54</b>

**19 Deferred tax liabilities (net)**

**A. Movement in deferred tax balances**

Particulars	As at 31st March 2021	Recognized in P&L	Recognized in OCI	As at 31st March 2022
<b>Deferred Tax Liabilities</b>				
Property, plant and equipments, intangible assets and right of use assets	903.28	19.83	-	923.11
Fair Value of Redeemable Preference Shares	299.85	(3.70)	-	296.15
Others	0.65	0.26	-	0.91
<b>Sub- Total (a)</b>	<b>1,203.78</b>	<b>16.39</b>	<b>-</b>	<b>1,220.17</b>
<b>Deferred Tax Assets</b>				
Accrued expenses deductible on payment basis	84.55	1.07	2.30	87.92
MAT credit entitlement	65.55	146.04	-	211.59
Carryforward business losses including unabsorbed depreciation	436.44	(248.23)	-	188.21
Provision for loss allowance	63.94	(11.66)	-	52.28
Others	(1.75)	1.22	-	(0.53)
<b>Sub- Total (b)</b>	<b>648.74</b>	<b>(111.56)</b>	<b>2.30</b>	<b>539.48</b>
<b>Net Deferred Tax Liability (a)-(b)</b>	<b>555.04</b>	<b>127.95</b>	<b>(2.30)</b>	<b>680.69</b>



The Company has unabsorbed depreciation, carry forward business losses and unutilised MAT Credit accumulation as on the reporting date. As per the approved business plan and projections of the Company, the Company expects to utilize business losses, unabsorbed depreciation and MAT Credit within prescribed/reasonable period. Further, in view of unabsorbed depreciation and MAT credit entitlement, the Company has not exercised option under section 115 BAA of the Income Tax Act, 1961 and continue to recognise the taxes on income for the year and defer tax as per the normal tax rate at which management expect to recover or settle the defer tax . Company will review the above position at each year end.

#### B. Amounts recognised in the Statement of Profit or Loss

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Current tax expense</b>		
Current year	152.39	-
Income tax for earlier year	(0.91)	4.64
	<b>151.48</b>	<b>4.64</b>
<b>Deferred tax expense Charge/(Credit)</b>		
Origination and reversal of temporary differences	127.95	(1.87)
	<b>127.95</b>	<b>(1.87)</b>
<b>Total Tax Expense</b>	<b>279.43</b>	<b>2.77</b>

#### C. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Deferred Tax (Charge)/Credit</b>		
Remeasurements of defined benefit obligation	2.30	(0.76)
Revaluation of leasehold land (Right of use assets)	-	-
	<b>2.30</b>	<b>(0.76)</b>

#### D. Reconciliation of Tax expense

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Accounting profit/(loss) before tax</b>	957.11	34.94
Tax using the Company's domestic tax rate @ 27.82% (Previous Year- 27.82%)	266.27	9.72
Tax effect of:		
Non-deductible expenses	5.59	3.96
Changes in estimates related to prior years	(0.91)	4.64
Others	8.49	(10.91)
	<b>279.43</b>	<b>7.41</b>

**20 Borrowings - Current**
**Secured**

Working capital facilities from a bank	1,174.74	2,134.29
Buyer's Import Credit	735.78	732.80
	<b>1,910.52</b>	<b>2,867.09</b>

**Current Maturities of Non Current Borrowings**

Secured	385.67	439.01
Unsecured	43.33	83.52
	<b>429.00</b>	<b>522.53</b>
	<b>2,339.52</b>	<b>3,389.62</b>

Note:

- (a) Working capital facilities from bank is secured by first charge by way of hypothecation 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 Property, Plant and Equipment of Company except those non current assets financed by the body corporates. The same is also personally guaranteed by Chairman cum Managing director and a relative and carries interest rate of 9.40% per annum linked with 1 year MCLR (previous year - 9.4% per annum linked with 1 year MCLR). Other are secured by receivables and carries interest rate of 11.00% per annum.

**21 Trade payables**

Total Outstanding dues of Micro enterprises and Small enterprises*	213.61	97.29
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises#	614.57	1,170.09
	<b>828.18</b>	<b>1,267.38</b>

\* For MSME disclosure, refer Note No. 42.

# Refer Note No. 38 for Related party disclosures.

**Ageing for Trade Payables outstanding as at March 31, 2022 is as follows:**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) MSME	-	97.76	115.80	0.05	0.00	-	213.61
2) Others	197.85	165.90	231.44	0.92	3.69	14.77	614.57
3) Disputed Dues - MSME	-	-	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>197.85</b>	<b>263.66</b>	<b>347.24</b>	<b>0.97</b>	<b>3.69</b>	<b>14.77</b>	<b>828.18</b>

**Ageing for Trade Payables outstanding as at March 31, 2021 is as follows:**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) MSME	-	24.00	62.20	8.35	2.71	0.03	97.29
2) Others	157.30	589.82	361.41	27.56	28.03	5.97	1,170.09
3) Disputed Dues - MSME	-	-	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>157.30</b>	<b>613.82</b>	<b>423.61</b>	<b>35.91</b>	<b>30.74</b>	<b>6.00</b>	<b>1,267.38</b>

**22 Other Current Financial Liabilities**

Interest Accrued*	14.61	10.88
Capital Creditors**	53.83	46.67
	<b>68.44</b>	<b>57.55</b>

\* Refer Note No. 38 for Related party disclosures.

\*\* Capital Creditors includes MSME Creditors of Rs. 15.38 Lakhs

**23 Other Current Liabilities**

Statutory dues	27.46	26.98
Advances from customers	228.68	264.40
Accruals to employees and others	96.71	83.61
Others	-	8.25
	<b>352.85</b>	<b>383.24</b>

**24 Provisions- Current**

Employees Benefits	108.71	93.39
Gratuity	52.18	45.86
Leave encashment	56.53	47.53
	<b>108.71</b>	<b>93.39</b>

**For the Year ended**

31st March 2022	31st March 2021
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**25 Revenue from Operations:**
**Sale of Products**

Empty Capsules	11,636.72	8,959.31
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**Other Operating Revenue**

Export Incentives	0.57	29.22
	<b>11,637.29</b>	<b>8,988.53</b>

- Unsatisfied performance obligation (contract liabilities) Refer note no.23.
- The above revenues have been recognised at point of time.
- For contract assets and balances Refer note no. 8.

**26 Other Income:**

Interest Income	21.63	31.75
Unspent liabilities written back	26.33	103.40
Reversal of provision for loss allowances	-	269.11
Gain on foreign currency transactions and translation (Net)	58.42	12.24
Provision no longer required, written back	41.93	-
Gain on fair valuation of mutual fund	0.94	1.51
Profit on sale of Mutual Fund measured at fair value	5.33	0.70
Bonus received on Key Insurance Policy	-	135.13
Sundry balances written back	-	5.43
Miscellaneous Income	0.84	2.80
	<b>155.42</b>	<b>562.07</b>

**27 Cost of Materials Consumed:**

## Raw Materials

Gelatine	4,099.88	3,125.15
Colours & Chemicals	216.48	145.97
	4,316.36	3,271.13
Less: Transfer to Capital Work-in-Progress/Capitalised	26.22	9.57
	<b>4,290.14</b>	<b>3,261.55</b>

**28 Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade**
**Opening Inventories**

Work-in-Progress	597.25	814.55
Finished Goods	132.06	927.28
Capsule Scrap*	3.25	0.79
	<b>732.56</b>	<b>1,742.62</b>

**Less: Closing Inventories**

Work-in-Progress	262.59	597.25
Finished Goods	99.19	132.06
Capsule Scrap	10.06	1.45
	<b>371.84</b>	<b>730.76</b>

**Change in inventories**

	<b>360.72</b>	<b>1,011.86</b>
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\*Includes inventory generated Rs. 1.80 Lakhs (Previous year Rs. 0.69 Lakhs) on commissioning of new product line.

\*Includes figures include Rs. 0.69 lakhs transfer on commissioning of new product line on March 31, 2022.

**29 Employee Benefits Expenses:**

Salaries and Wages	1,259.08	1,086.09
Contribution to Provident and other Funds	112.90	99.73
Employee Welfare	52.91	44.40
	1,424.89	1,230.22
Less: Transfer to Capital Work-in-Progress/Capitalised	5.92	0.70
	<b>1,418.97</b>	<b>1,229.52</b>

**30 Finance Costs:**

Interest Expenses	245.04	445.45
Interest on lease liabilities	4.33	1.47
Interest on Statutory dues	6.06	2.77
Unwinding charges of Preference Shares	13.28	11.52
Other Borrowing Costs	80.17	69.64
	<b>348.88</b>	<b>530.85</b>

**30.1 Depreciation and Amortization Expenses:**

Depreciation on Property, Plant and Equipements	601.72	589.68
Depreciation on Right of Use Assets	24.16	16.75
Amortization on Intangible Assets	4.69	4.87
	<b>625.88</b>	<b>606.43</b>

**31 Other Expenses:**

Consumption of Stores and Spares	89.60	94.51
Power and Fuel	889.97	838.60
Job Work charges	375.72	288.78
Packing Materials	273.31	226.46
Repairs to Buildings	34.06	25.81
Repairs to Machinery	306.11	190.12
Repairs to Others	37.63	38.23
Travelling & Conveyance	42.60	33.51
Legal & Professional Charges	98.94	84.61
Rates and Taxes	18.66	5.06
Rent	16.51	18.49
Insurance	71.20	65.41
Auditors' Remuneration - (a)	11.93	10.25
Freight and Forwarding Expenses (Net)	552.08	496.44
Selling Commission	26.04	25.42
Claim paid to Supplier	172.55	-
Donation	-	0.12
Directors' Fee	4.34	5.36
Loss on sale/ discarded of property, plant and equipment (Net)	0.13	6.03
Bad Debts	345.90	-
CSR expense - (b)	11.24	17.39
Sundry balances Written off	123.98	74.51
Advances and other recoverable Written off	-	31.43
Miscellaneous	255.11	294.50
	<b>3,757.61</b>	<b>2,871.04</b>
Less: Transfer to Capital Work-in-Progress/Capitalised	11.28	0.46
	<b>3,746.33</b>	<b>2,870.58</b>

**(a). Details of Auditors' Remuneration are as follows:**

Statutory Auditors:

For Audit	2.70	2.20
For consolidation	0.80	0.55
For Quarterly Review	1.50	1.95
For Tax Audit	1.35	1.10
For Company Law matters	0.33	0.66
For Certification & Others	4.85	3.39
Reimbursement of expenses	0.40	0.40
	<b>11.93</b>	<b>10.25</b>

**(b) Details of Corporate Social Responsibility (CSR) expenditure:**

- (i) Gross amount required to be spent during the year 0.03 0.89
- (ii) Amount spent during the year ended on 31st March, 2022

Particulars	Expense Incurred	Yet to be incurred	Total
- Construction/Acquisition of any asset	-	-	-
- On purpose other than the above	11.24	-	11.24
<b>Total</b>	<b>11.24</b>	<b>-</b>	<b>11.24</b>

Amount spent during the year ended on 31st March, 2021

Particulars	Expense Incurred	Yet to be incurred	Total
- Construction/Acquisition of any asset	-	-	-
- On purpose other than the above	17.39	-	17.39
<b>Total</b>	<b>17.39</b>	<b>-</b>	<b>17.39</b>

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

	Year ended	
	31st March, 2022	31st March, 2021
Profit/(Loss) for the year from Continuing Operations	677.68	27.53
Weighted average number of shares used in the calculation of EPS	10254750	10254750
Face value of per share	10.00	10.00
Basic and Diluted EPS (Continued Operation)	6.61	0.27
Basic and Diluted EPS (Continued and Discontinued Operation)	6.61	0.27

**33 Contingent liabilities, contingent assets and commitments**

Particulars		As at 31st March, 2022	As at 31st March, 2021
<b>A</b>	<b>Contingent liabilities in respect of:</b>		
(i)	Demand for interest and penalty on delay deposit of provident fund under the Employees provident fund and miscellaneous provisions Act, 1952, disputed by the Company	2.72	2.72
In the Opinion of the management, the Company has fair chances of success in the above case and thus chances of liability devolving on the Company is not probable and hence no provision in respect thereof has been made in the books.			
<b>B</b>	<b>Commitments</b>		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Advances paid Rs.98.28 Lakhs in current year(31 March 2021- Rs. 10.47 Lakhs))	53.44	-
<b>C</b>	<b>Others</b>		
(i)	The Company has procured certain capital goods in earlier years under EPCG Scheme at concessional rate of duty against commitment to fulfill export obligation. As on 31st March, 2022 the Company is contingently liable to pay differential custom duty Rs. 123.55 Lakhs (31 March 2021- Rs. 123.55 lakhs) on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time and expect no cash outflow on this account.		
(ii)	The Company has procured certain raw materials under advance license scheme without payment of custom duty against commitment to fulfill export obligation. As on 31st March, 2022 the Company is contingently liable to pay custom duty Rs. 140.20 Lakhs (31 March 2021- Rs.523.68 lakhs) on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow this account.		
<b>34</b>	<b>Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and section 186 (4) of the Companies Act, 2013:</b>		

Particulars	Purpose	Outstanding as at 31st March 2022	Maximum Amount Outstanding during the year ended 31st March, 2022	Outstanding as at 31st March 2021	Maximum Amount Outstanding during the previous year ended 31st March, 2021
Sunil Healthcare -North America	General purpose	30.32	120.07	120.07	132.43
Sunil Healthcare -Mexico	General purpose	27.47	27.47	26.63	27.31

Note:

Above includes Rs. 27.47 (31st March, 2021- Rs 117.30 Lakhs) pertaining to expenditure incurred by the company on behalf of the above subsidiaries which are fully recoverable.

Balance amount carries interest rate of 12% per annum.

**35 Details of Investment covered under section 186(4) of Companies Act, 2013**

Details of investments made and their outstanding balances are given in Note No.4.

**36 Unhedged foreign exchange derivatives and exposures outstanding at the year-end:**

Particulars	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)
	31st March, 2022		31st March, 2021	
<b>Open Exposures</b>				
Receivables				
USD	15.32	1,161.74	17.26	1,268.72
EURO	0.05	4.60	0.03	2.83
Payables				
USD	12.92	979.29	9.97	732.83

**37 Employee benefits**

The Company contributes to the following post-employment defined benefit plans in India.

**(i) Defined Contribution Plans:**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Contribution to Provident Fund	82.42	70.06

**(ii) Defined Benefit Plan:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the scheme formed and administrated by LIC.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.



**A. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	31st March, 2022			31st March, 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset) /liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	182.92	19.80	163.12	195.04	50.94	144.10
<b>Included in profit or loss</b>						
Current service cost	19.48	-	19.48	20.02	-	20.02
Interest cost / (income)	12.34	1.34	11.00	13.06	3.41	9.65
	<b>31.82</b>	<b>1.34</b>	<b>30.48</b>	<b>33.08</b>	<b>3.41</b>	<b>29.67</b>
<b>Included in OCI</b>						
Remeasurements loss / (gain)						
- Actuarial loss / (gain) arising from:						
- Demographic assumptions	-	-	-	(8.46)	-	(8.46)
- Financial assumptions	(8.21)	-	(8.21)	(15.21)	-	(15.21)
- Experience adjustment	16.53	-	16.53	18.98	-	18.98
- On plan assets	-	0.05	(0.05)	-	(1.95)	1.95
	<b>8.32</b>	<b>0.05</b>	<b>8.27</b>	<b>(4.69)</b>	<b>(1.95)</b>	<b>(2.74)</b>
<b>Other</b>						
Contributions paid by the employer	-	32.06	(32.06)	-	7.91	(7.91)
Benefits paid	(13.01)	(13.01)	-	(40.51)	(40.51)	-
	<b>(13.01)</b>	<b>19.05</b>	<b>(32.06)</b>	<b>(40.51)</b>	<b>(32.60)</b>	<b>(7.91)</b>
<b>Balance as at 31 March</b>	<b>210.05</b>	<b>40.24</b>	<b>169.81</b>	<b>182.92</b>	<b>19.80</b>	<b>163.11</b>

**B. Plan assets**

	31/03/2022	31/03/2021
Fund managed by insurer	100%	100%
	<b>100%</b>	<b>100%</b>

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

**C. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31/03/2022	31/03/2021
Discount rate	7.25%	6.75%
Expected rate of future salary increase	3.00%	3.00%
Mortality	100% of IALM	100% of IALM

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay Rs 169.81 Lakhs (31 March 2021 - Rs. 163.11 Lakhs) in contribution to its defined benefit plans in the next year.

**D. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31/3/2022		31/3/2021	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+1% Movement)	195.23	227.17	169.46	198.55
Salary Growth rate (-/+1% Movement)	227.75	194.52	199.00	168.88

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**E. Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

**38 Related party Transactions**
**A. Related parties and their relationships as identified by the Company**

**i) Key Managerial Personnel (KMP) and their relatives**

<b>Name</b>	<b>Designation and Relationship</b>
Mr. Anil Kumar Khaitan	Chairman cum Managing Director
Mrs. Sarita Khaitan	Strategy officer, Wife of Key Management Personal
Mr. Ishan Khaitan	President Operation and Marketing, Son of Key Management Personal
Mrs. Aanchal Khaitan	Manager Business Development, Daughter in law of Key Management Personal
Mr. Kahaan Khaitan	Senior Vice President Procurement, Son of Key Management Personal
Mr. Rakesh Mohan	Independent Director and KMP under IndAS
Mr. Sanjay kumar Kaushik	Independent Director and KMP under IndAS
Mr. Harish Pal Kumar	Independent Director and KMP under IndAS
Mr. Krishna Venkatachalam Rajan	Independent Director and KMP under IndAS
Mr. Bejon Kumar Mishra	Independent Director and KMP under IndAS
Mrs. Mudita Chaturvedi	Independent Director and KMP under IndAS

**ii) Subsidiary Companies**

Sunil Healthcare North America LLC  
Sunil Healthcare Mexico SA De CV

**B. Transactions with the above in the ordinary course of business**

	<b>Nature of Transaction</b>	<b>For the year ended</b>	
		<b>31/3/2022</b>	<b>31/3/2021</b>
<b>a)</b>	<b>Payments to Key Managerial Personnel and their relatives</b>		
	<b>(i) Short-term Employee benefits</b>		
	Mr. Anil Kumar Khaitan	29.63	31.70
	Mrs. Sarita Khaitan	28.29	27.31
	Mr. Ishan Khaitan	28.93	28.93
	Mr. Kahaan Khaitan	28.93	17.58
	Mrs. Anchal khaitan	5.68	5.68
	<b>Directors' Sitting Fee:</b>		
	Mr. Rakesh Mohan	0.77	0.77
	Mr. B P Srinivasan	-	0.43
	Mr. Sanjay kumar Kaushik	1.02	1.02
	Mr. Harish Pal Kumar	0.94	1.02
	Mr. Krishna Venkatachalam Rajan	0.43	0.60
	Mr. Bejon Kumar Mishra	0.85	1.02
	Mrs. Mudita Chaturvedi	0.34	0.51

excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole.

**(ii) Rent, Repair and Maintenance**

Mrs. Sarita Khaitan	24.78	24.78
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**(iii) Loan Repayment**

Mr. Anil Kumar Khaitan	363.00	-
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**(iv) Interest paid/payable**

Mr. Anil Kumar Khaitan	46.03	71.51
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**Closing balance at the year end:**

Mr. Anil Kumar Khaitan		
-Loan outstanding	318.00	681.00
-Salary Payable	1.26	0.67
-Payable against redeemable preference shares	565.00	565.00
Mrs. Sarita Khaitan		
-Rent Payable	-	0.25
-Salary Payable	1.50	1.50
Mr. Ishan Khaitan		
-Salary Payable	1.63	1.63
Mr. Kahaan Khaitan		
-Salary Payable	0.15	0.77
Mrs. Anchal khaitan		
-Salary Payable	0.41	0.41

**b) With Subsidiary Companies are as under**

Nature of Transaction	For the year ended	
	31/3/2022	31/3/2021
<b>Sunil Healthcare North America LLC</b>		
- Interest Income	-	3.56
<b>Closing balance at the year end:</b>		
-Advance Receivable	-	90.67
-Loan Receivable	30.32	29.40
-Interest Receivable	9.91	9.58
<b>Sunil Healthcare Mexico SA DE CV</b>		
-Sale	267.04	363.15
<b>Closing balance at the year end:</b>		
-Trade Receivable	676.55	763.93
-Advance Receivable	27.47	26.63

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and settlement occurs in cash. Terms and conditions for Loan refer Note No.17 & 34.

### 39 Financial instruments – Fair values and risk management

#### I. Fair value measurements

##### A. Financial instruments by category

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
<b>Financial assets</b>				
Investments - Non Current	-	103.27	-	107.33
Loans - Current	30.32	-	29.40	-
Trade receivables	2,199.86	-	2,778.52	-
Cash and cash equivalents	3.42	-	4.81	-
Bank balances other than above	319.26	-	772.62	-
Others				
Non Current	99.28	-	92.86	-
Current	59.48	-	162.28	-
	<b>2,711.63</b>	<b>103.27</b>	<b>3,840.49</b>	<b>107.33</b>
<b>Financial liabilities</b>				
Borrowings				
Non-current	1,082.74	-	1,523.60	-
Current	1,910.52	-	2,867.09	-
Trade payables	828.18	-	1,267.38	-
Other - Current	68.44	-	57.55	-
Lease Liability - Current	46.16	-	68.82	-
	<b>3,936.04</b>	<b>-</b>	<b>5,784.44</b>	<b>-</b>

##### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.
- To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

**Fair value measurements as at 31st March, 2022**

Particulars	As at 31 March 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Investments at FVTPL</b>					
Investments - Non Current	103.27		103.27		103.27
Leasehold Land	1,414.59	-	-	1,414.59	1,414.59
<b>Total financial assets</b>	<b>1,517.86</b>	<b>-</b>	<b>103.27</b>	<b>1,414.59</b>	<b>1,517.86</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current - Redeemable Preference Shares (including interest component)	100.46	-	-	100.46	100.46
<b>Total financial liabilities</b>	<b>100.46</b>	<b>-</b>	<b>-</b>	<b>100.46</b>	<b>100.46</b>

There are no transfers between level 1 and level 2 during the year.

**Fair value measurements as at 31st March, 2021**

Particulars	As at 31 March 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Investments at FVTPL</b>					
Investments - Non Current	107.33	-	107.33	-	107.33
Leasehold Land	1,414.60	-	-	1,414.60	1,414.60
<b>Total financial assets</b>	<b>1,521.93</b>	<b>-</b>	<b>107.33</b>	<b>1,414.60</b>	<b>1,521.93</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current - Redeemable Preference Shares (including interest component)	87.18	-	-	87.18	87.18
<b>Total financial liabilities</b>	<b>87.18</b>	<b>-</b>	<b>-</b>	<b>87.18</b>	<b>87.18</b>

There are no transfers between level 1 and level 2 during the year

**Significant unobservable inputs considered in Level 3 Fair valuation are as under:-**

- (i) Valuation of lease hold Land (right of use Assets) was carried out by Market Approach uses prices and other relevant information generated by market transactions involving comparable assets and considers qualitative and quantitative factors (Comparable companies valuation method) by using market multiples or matrix pricing (compare with Benchmarks) in financial year 2019-20. It reveals that similar properties are available for sale in nearby area in the range of Rs 12,500 to Rs 14,000 per Square Yard depending upon various attributes such as size, shape, location, frontage, frontage to depth ration, marketability, demand & supply of similar properties in the said locality.

- (ii) (a) In the year of issuance, valuation of preference shares was carried out by independent valuer using NPV of projected cash flows based on discounted cash flow method, wherein NPV of the preference shares measured based on security available, statement of credit rating of instruments, trading in stock exchange, etc.
- The estimated fair value of RPS is Rs 67.98 Lakhs as on allotment date i.e. 4th July 2019 considering repayment period of 20 years and market interest rate of 14.20%.
- (b) Rate of return considered 14.20% which includes risk free return of 7.20% based on 20 years bond rate and Risk premium of 7.00%. Risk premium has been considered due to the reasons like lack of liquidity due to unquoted instruments, declining operations since March 2019, customer concentration Risk, other business risk as per credit rating which has also downgraded.

## **II. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

### **i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### **ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

#### **Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the President of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Company has taken the credit insurance policy for its domestic customers to mitigate the financial loss in case default in payment. Risk on export customers is covered through the ECGC Ltd.

The gross carrying amount of trade receivables is Rs.2387.78 Lakhs (31 March 2021 – Rs.3008.37 Lakhs).

Reconciliation of loss allowance provision – Trade receivables

Particulars	31/03/2022	31/03/2021
Opening balance	229.85	498.96
Changes in loss allowance	(41.93)	(269.11)
<b>Closing balance</b>	<b>187.92</b>	<b>229.85</b>

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount 31st March, 2022	Contractual undiscounted cash flows			
		On demand	Less than 1 Year	1-5 Years	More than 5 years
<b>Financial Liabilities</b>					
Non-current Borrowings	1,411.28	-	429.00	982.28	-
Redeemable Preference shares	100.46	-	-	-	1,165.00
Current Borrowings	1,910.52	1,174.74	735.78	-	-
Trade payables	828.18	-	828.18	-	-
Other current financial liabilities	68.44	-	68.44	-	-
Lease Liability	46.16	-	24.41	21.75	-
<b>Total Financial liabilities</b>	<b>4,365.04</b>	<b>1,174.74</b>	<b>2,085.81</b>	<b>1,004.03</b>	<b>1,165.00</b>



Particulars	Carrying Amount 31st March, 2021	Contractual undiscounted cash flows			
		On demand	Less than 1 Year	1-5 Years	More than 5 years
Financial Liabilities					
Non-current Borrowings	1,958.95		522.53	1,436.42	-
Redeemable Preference shares	87.18		-	-	1,165.00
Current Borrowings	2,867.09	2,134.29	732.80	-	-
Trade payables	1,267.38		1,267.38	-	-
Other current financial liabilities	57.55		57.55	-	-
Lease Liability	68.82		24.63	44.19	
<b>Total Financial liabilities</b>	<b>6,306.97</b>	<b>2,134.29</b>	<b>2,604.89</b>	<b>1,480.61</b>	<b>1,165.00</b>

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**a. Currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in Euro . Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company, whenever necessary. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	USD	EUR	USD	EUR
Receivables	15.32	0.05	17.26	0.03
Payables	12.92	-	9.97	-
Net statement of financial position exposure	<b>2.41</b>	<b>0.05</b>	<b>7.29</b>	<b>0.03</b>

The following significant exchange rates have been applied

Particulars	Year end spot rates	
	31 March 2022	31 March 2021
USD 1	75.81	73.50
EUR 1	84.66	86.10

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD at reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Impact on Profit or loss		impact on Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31st March 2022</b>				
USD (10% movement)	(18.25)	18.25	(13.17)	13.17
Euro (10% movement)	(0.46)	0.46	(0.33)	0.33
<b>31st March 2021</b>				
USD (10% movement)	(53.59)	53.59	(38.68)	38.68
Euro (10% movement)	(0.28)	0.28	(0.20)	0.20

### Interest rate risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both Non-current and Current. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	31st March, 2022	31st March, 2021
<b>Fixed-rate instruments</b>		
Borrowings	381.84	858.75
<b>Variable-rate instruments</b>		
Borrowings	3,040.41	4,054.47

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Profit or loss		Impact on Equity, net of tax	
	50 bp Decrease	50 bp Increase	50 bp Decrease	50 bp Increase
<b>31st March 2022</b>				
Variable-rate instruments	15.20	(15.20)	10.97	(10.97)
<b>Cash flow sensitivity</b>	<b>15.20</b>	<b>(15.20)</b>	<b>10.97</b>	<b>(10.97)</b>
<b>31st March 2021</b>				
Variable-rate instruments	20.27	(20.27)	14.63	(14.63)
<b>Cash flow sensitivity</b>	<b>20.27</b>	<b>(20.27)</b>	<b>14.63</b>	<b>(14.63)</b>

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## 40 Geographical information

The Empty Capsules segment is managed on a worldwide basis, but manufacturing facilities and sales offices are primarily in India.

The geographic information analyses, the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

Particulars	2021-22			2020-21		
	Within India	Outside India	Total	Within India	Outside India	Total
<b>Revenue from Operations</b>	8,784.96	2,852.33	11,637.29	6,939.33	2,023.78	8,963.11

All non current assets except trade receivables are located in India.

### Major Customer

Two major customers has individually contributed more than 10% of the revenue from operation of the Company.

## 41 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The following table summarises the capital of the Company:

Particulars	31st March, 2022	31st March, 2021
Equity Share Capital (Note- 15)	1,025.48	1,025.48
Other Equity (Note-16)	4,453.49	3,781.78
<b>Total Equity</b>	<b>5,478.97</b>	<b>4,807.26</b>
Non-Current Borrowings (Note-17)	1,511.74	2,046.13
Current Borrowings (Note-20)	1,910.52	2,867.09
<b>Total Debts</b>	<b>3,422.25</b>	<b>4,913.22</b>
<b>Total Equity and Debts</b>	<b>8,901.22</b>	<b>9,720.48</b>
<b>Gearing Ratio</b>	<b>0.38</b>	<b>0.51</b>

- 42 Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	As at 31st March 2022	As at 31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting years.		
- Principal amount due to micro and small enterprises	210.53	97.29
- Interest due on above	2.78	3.75
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	6.52	3.75
The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	6.52	3.75

**43 Group information**

Information about subsidiaries

S. No.	Name	Principal Activities	Country of Incorporation	% Equity Interest	
				As at 31 March 2022	As at 31 March 2021
1	Sunil Healthcare Mexico SA.De. CV.	Trading of Capsules	Mexico	99.97%	99.97%
2	Sunil Healthcare North America LLC	Trading of Capsules	USA	100.00%	100.00%

**44** The Company incurred Rs. 16.51 lakhs (31ST March 2021-Rs. 18.49 lakhs) for the year ended March 31, 2022 towards expenses relating to short-term leases.

**45 Movement of Liabilities covered under Financing Activities as per IND AS - 7 is as follows:**

Particulars	Non Current Borrowings	Current Borrowings	Lease Liability	Interest
<b>Balance as on 31st March 2020</b>	<b>1,699.16</b>	<b>3,232.27</b>	<b>13.30</b>	<b>90.95</b>
Cash Flow movement	339.78	(365.18)	(16.91)	(599.40)
Non Cash movement				
-Interest Expense	-	-	-	530.85
-Acquisition of lease	-	-	72.43	-
- Unwinding charges on preference shares	11.52	-	-	(11.52)
- Others	(4.33)	-	-	-
<b>Balance as on 31st March 2021</b>	<b>2,046.13</b>	<b>2,867.09</b>	<b>68.82</b>	<b>10.88</b>
Cash Flow movement	(549.77)	(953.76)	(22.66)	(329.78)
Non Cash movement				
-Interest Expense	-	-	-	348.88
-Acquisition of lease	-	-	-	-
- Unwinding charges on preference shares	13.28	-	-	(13.28)
- Others	2.10	(2.81)	-	-
<b>Balance as on 31st March 2022</b>	<b>1,511.74</b>	<b>1,910.52</b>	<b>46.16</b>	<b>16.71</b>

**46** Balances of certain trade receivables, advances and trade payables are in the process of confirmation and/or reconciliation. The management does not expect any material change in the carrying value of these assets and liabilities.

**47 Analytical Ratios**

The following reflects the ratios and the data used in its computation:

Particulars	Numerator	Denominator	Ratios		% Change	Reason for Variance
			30/3/2022	30/3/2021		
Current Ratio	Current Assets	Current Liabilities	0.99	0.99	0.71%	
Debt-Equity Ratio	Total debt	Shareholder's Equity	0.62	1.02	-38.89%	Due to reduction of Debts.
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.52	0.24	117.48%	Due to increase in EBITA and decrease in debts.
Return on equity Ratio	Net Profits after taxes	Avg. Shareholder's Equity	0.12	0.01	2060.17%	Due to increase in net profit after tax.
Inventory Turnover Ratio	Sales	Average Inventory	10.98	5.32	106.48%	Due to increase in sales and decrease in inventory.
Trade Receivable Turnover Ratio	Sales	Average Accounts Receivable	4.67	3.18	47.19%	Due to increase in sales and decrease in trade receivables.
Trade Payable Turnover Ratio	Purchases	Average Trade Payables	5.67	2.42	134.00%	Due to increase in purchase and decrease in trade payables.
Net Capital Turnover Ratio	Sales	Working Capital	(392.84)	(115.33)	240.63%	Due to increase in Sales and decrease in working Capital.
Net Profit Ratio	Net Profit	Sales	0.06	0.0031	1795.54%	Due to increase in net profit after tax and sales.
Return on Capital Employed Ratio	Earning before interest and taxes	Capital Employed	0.22	0.12	79.63%	Due to increase in EBITDA and decrease in capital employed.
Return on Investment ratio	Return on Mutual fund	Average Investment in mutual fund	0.06	0.04	59.17%	Due to increase in Investment in mutual fund.

**48 Capital Work in Progress Aging:**

Aging for Capital work-in-progress as at March 31, 2022 is as follows:

**Capital work-in-progress**

Amount in Capital Work in progress for a period of				Amount in Lacs	
Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total	
174.36	-	-	0.70	175.06	

Aging for Capital work-in-progress as at March 31, 2021 is as follows:

**Capital work-in-progress**

Amount in Capital Work in progress for a period of				Amount in Lacs
Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
-	-	-	0.69	0.69

**\*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.**

- 49 The Company has no transactions and/or outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as identified to the extent of struck off companies details available on the public domain.
- 50 The Company has Complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the companies (Restriction on number of layers) Rules, 2017
- 51 Detail of loans or advances in nature of loans granted either repayable on demand or without specifying any terms or period of repayment.

Type of Borrower	As at March 2022		As at March 2021	
	Total loans & advances in nature of loans	Percentage to total loans & advances in nature of loans	Total loans & advances in nature of loans	Percentage to total loans & advances in nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Other related parties	30.32	100%	29.40	100%
<b>Total</b>	<b>30.32</b>		<b>29.40</b>	

- 52 The Company having borrowing facility from banks on the basis of security of current assets, the amount shown in quarterly returns or statement were derived from the unaudited and provisional books of account. As regards the disclosure of discrepancies, if any, envisaged to be disclosed as part of additional information were not made due to unfinished summary of reconciliation in this regards. However, the management of company do not foresee any reasons for material discrepancies nerertheless figures submitted in quarterly returns or statement were provisional and unaudited in nature and subject to reconciliation.
- 53 Previous year's figures have been regrouped/ recasted wherever necessary to confirm to the current year's Classification.

The accompanying notes are an integral part of these standalone financial statements

**As per our report attached of even date**

**For JKVS & Co.**  
Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**  
Partner  
M. No. 523903

**For and on behalf of Board of Directors**

**Anil Khaitan**  
Chairman Cum Managing Director  
DIN No. 00759951

**Santosh Kumar Sharma**  
Company Secretary  
M. No. F6817

**Harish Pal Kumar**  
Director  
DIN No. 01826010

**Pawan Rathi**  
Chief Financial Officer

Place : New Delhi  
Date : 06th May, 2022

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Sunil Healthcare Limited

**Report on the Audit of the Consolidated Financial Statements**
**Opinion**

We have audited the accompanying consolidated financial statements of Sunil Healthcare Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The components are not required to audit in their respective countries. Therefore, key audit matters reported below by us is included in the audit report on standalone financial statement of parent company audited by us.

S.N.	Key Audit Matter	Auditor's Response
1	<b>Revenue Recognition</b> The accounting policies for revenue recognition are set out in Note 2.13 to the consolidated financial statements of the Company and revenue streams have been disclosed in Note 25 to the consolidated financial statements. We have identified sales cut-off to be significant because of the high volume of transactions and the varying sales, contractual, commercial and billing terms. Revenue recognition is susceptible to the higher risk that the revenue is recognized when the control of goods has not been transferred to the customers.	<b>How our audit addressed the key audit matter:</b> We assessed the overall sales process and the relevant systems and the design of controls over the capture and recording of revenue transactions. We have tested the effectiveness of controls on the processes related to revenue recognition relevant to our audit. We performed sample testing on revenue and checked that the revenue recognition criteria are appropriately applied. We have also performed cut-off tests to ensure the Company has complied with proper cut-off procedures and revenue is recognized in the appropriate accounting period. We found the Company's revenue recognition to be consistent with its accounting policy. We are satisfied that the Company's revenue has been appropriately recognized and in the relevant accounting period.



S.N.	Key Audit Matter	Auditor's Response
2.	<b>Valuation of inventories</b>  We refer to Note 7 and 2.14 to the consolidated financial statements. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing and turnover rate.	<b>How our audit addressed the key audit matter:</b>  We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.

**Other Information**

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the companies included in the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. For the other entities included in the consolidated financial statements, financial statement of which have been certified by the management and therefore management remain responsible for the direction, supervision and preparation of the financial statements. We remain solely responsible for our audit opinion based on management certified account and such other information provided to us. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements of two foreign subsidiary companies for the year ended March 31, 2022, whose financial statements include total assets of Rs. 674 Lakhs as at March 31, 2022, total revenues from operations of Rs. 546 lakhs, total net Profit/(loss) after tax of Rs. (7) Lakhs, total comprehensive income of Rs. (19) Lakhs and net cash inflows of Rs. 27 Lakhs for the year ended on that date included in the consolidated financial statements. There is no requirement of audit under the regulation of respective countries of their incorporation. These financial statements have been prepared, converted into reporting currency and certified by the management and our opinion on financial statements, in so far as it relates to amount and disclosures in respect of these foreign subsidiary companies, is based solely on the financial statements prepared, converted and certified by the management. These Financial Statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and other financial information certified by the management.

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, the matters specified in paragraphs 3 and 4 of the Order are not applicable to the consolidated financial statement.
- 2) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report to our auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the Directors of the Parent Company as on March 31, 2022 taken on record by the Board of Directors of the Parent Company, none of the Directors of the Parent company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Parent company and its subsidiary companies, since none of the subsidiary companies are incorporated in India, no separate report is being issued with reference to these consolidated financial statements of the Parent Company. Also refer Annexure B to the independent auditors' report dated May 06, 2022 issued on the standalone financial statements of the Parent Company regarding

internal financial controls with respect to financial statements;

- g) In our opinion and according to the information and explanations given to us, the remuneration paid/provided during the year by the Parent Company to its directors is in accordance with the provisions of section 197 of the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate financial statements of subsidiary companies as also the other financial information of the subsidiaries as described in the 'Other matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 33 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;
  - iii. There has been no amount which is required to be transferred, to the Investor Education and Protection Fund by the Parent Company.
  - iv. (A) The managements of the Parent Company has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries  
(B) The managements of the Parent Company has represented, that, to the best of their knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- i) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (iii)(ii) contain any material mis-statement.
- j) The Parent Company has not declared any dividend during the year therefore reporting regarding compliance of section 123 of the Companies Act, 2013 is not applicable.

**For JKVS & Co.**  
Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**  
Partner

Membership No. 523903  
UDIN: **22523903AINWUL5214**

Place : New Delhi  
Date : May 06, 2022

**Consolidated Balance Sheet as at 31st March, 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3(i)	5,521.26	5,477.21
Capital work-in-progress		175.06	0.69
Right of Use Assets	3(ii)	1,458.84	1,483.00
Other Intangible assets	3(iii)	16.79	20.08
Intangible assets under development			
<b>Financial Assets</b>			
(i) Investments	4	103.27	107.33
(ii) Other financial assets	5	99.28	92.86
Other non-current assets	6	113.96	24.25
<b>Current assets</b>			
Inventories	7	1,105.49	1,372.88
<b>Financial Assets</b>			
(i) Trade receivables	8	1,889.18	2,343.11
(ii) Cash and cash equivalents	9	26.60	55.20
(iii) Bank balance other than (ii) above	10	319.26	772.62
(v) Other financial assets	11	23.49	36.74
Current Tax Assets (net)	12	3.84	16.40
Other current assets	13	112.81	254.06
<b>Total Assets</b>		<b>10,969.13</b>	<b>12,056.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	1,025.48	1,025.48
Other Equity	15	3,970.01	3,346.25
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	16	1,082.74	1,523.60
(ii) Lease Liability		21.75	44.19
Provisions	17	207.31	210.54
Deferred tax liabilities (Net)	18	680.69	555.04
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	19	2,339.52	3,389.62
(ii) Trade payables	20		
Total Outstanding dues of micro enterprises and small enterprises		213.61	97.29
Total Outstanding dues other than micro enterprises and small enterprises		649.74	1,183.07
(iii) Lease Liability		24.41	24.63
(iv) Other financial liabilities	21	68.44	57.55
Other current liabilities	22	551.97	505.78
Provisions	23	108.71	93.39
Current tax liabilities (Net)	24	24.75	-
<b>Total Equity and Liabilities</b>		<b>10,969.13</b>	<b>12,056.43</b>
Significant Accounting Policies and Other Notes on Consolidated Financials Statements.	1-50		
The accompanying Notes are an integral part of the Consolidated Financial Statements.			

**As per our report attached of even date**
**For and on behalf of Board of Directors**
**For JKVS & Co.**

 Chartered Accountants  
 Firm Reg. No. 318086E

**Sajal Goyal**

 Partner  
 M. No. 523903

 Place : New Delhi  
 Date : 06th May, 2022

**Anil Khaitan**

 Chairman Cum Managing Director  
 DIN No. 00759951

**Santosh Kumar Sharma**

 Company Secretary  
 M. No. F6817

**Harish Pal Kumar**

 Director  
 DIN No. 01826010

**Pawan Rathi**

Chief Financial Officer

**Consolidated Statement of Profit & Loss for the period ended 31st March, 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Notes	For the period ended 31st March, 2022	For the period ended 31st March, 2021
<b>I. REVENUES</b>			
Revenue from Operations	25	11,916.41	9,062.00
Other Income	26	167.55	557.89
<b>Total Revenues</b>		<b>12,083.96</b>	<b>9,619.89</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	27	4,290.14	3,261.55
Purchases of Stock in Trade		39.99	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	28	515.15	1,008.73
Employee Benefits Expense	29	1,418.97	1,229.52
Finance Costs	30	348.88	530.85
Depreciation and Amortization expense	30.1	630.73	611.35
Other Expenses	31	3,913.63	3,033.21
<b>Total Expenses</b>		<b>11,157.49</b>	<b>9,675.21</b>
<b>III. Profit/(Loss) before Tax (I-II)</b>		<b>926.47</b>	<b>(55.32)</b>
<b>IV. Tax Expenses:</b>			
(1) Current Tax			
Current Year		156.00	0.23
For earlier year	18	0.46	5.47
(2) Deferred Tax	18	127.95	2.77
<b>V. Profit/(Loss) after tax (III-IV)</b>		<b>642.06</b>	<b>(63.79)</b>
<b>VI. Other Comprehensive Income</b>			
(1) Items that will not be reclassified to profit & loss			
Remeasurement of defined benefit plan		(8.27)	2.74
Tax relating to above item		2.30	(0.76)
(2) Items that will be reclassified to profit & loss		(12.33)	(26.27)
<b>Total Other Comprehensive Income for the year</b>		<b>(18.30)</b>	<b>(24.29)</b>
<b>VII. Total Comprehensive Income for the year (V+VI)</b>		<b>623.76</b>	<b>(88.08)</b>
<b>VIII. Earnings per Equity Share of Rs. 10/-Per share</b>	32		
Basic & Diluted		6.26	(0.62)
Significant Accounting Policies and Other Notes on Consolidated Financials Statements.			
The accompanying Notes are an integral part of the Consolidated Financial Statements.			

**As per our report attached of even date**
**For JKVS & Co.**  
Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**  
Partner  
M. No. 523903

Place : New Delhi  
Date : 06th May, 2022

**For and on behalf of Board of Directors**
**Anil Khaitan**  
Chairman Cum Managing Director  
DIN No. 00759951

**Santosh Kumar Sharma**  
Company Secretary  
M. No. F6817

**Harish Pal Kumar**  
Director  
DIN No. 01826010

**Pawan Rathi**  
Chief Financial Officer

**Consolidated Cash Flow Statement for the year ended 31st March, 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>A. Cash Flow From Operating Activities</b>		
Profit before Tax from continued business	926.47	(55.32)
Adjustment for :		
Finance Costs	348.88	530.85
Depreciation and Amortization Expenses	630.73	611.35
Reversal of provision for loss allowances	(41.93)	(269.11)
Advances written off	-	31.43
Sundry balances written off	123.98	74.51
(Profit)/Loss on Sales/Discarded of Property ,Plant and Equipment	0.13	6.03
Interest Income	(21.63)	(31.75)
Fair valuation of Investments measured at FVTPL	(0.94)	(1.51)
Profit on sale of Investments measured at FVTPL	(5.33)	(0.72)
Baddebts/Provision for loss allowances	345.90	-
Unspent liabilities written back	(26.57)	(111.46)
Unrealised (gain)/loss foreign currency transactions and translation/FCTR	(26.93)	(22.14)
<b>Operating profit before working capital changes</b>	<b>2,252.76</b>	<b>762.16</b>
Changes in working Capital:		
(Increase)/Decrease in Inventories	267.39	1,112.98
(Increase)/Decrease in Trade and other Receivables	195.46	381.31
Increase /(Decrease) in Trade and other payable	(345.15)	(573.93)
<b>Cash generation from Operation</b>	<b>2,370.46</b>	<b>1,682.52</b>
Refund/(Payment) of Direct Taxes	(119.15)	15.98
<b>Net Cash generated/ (used) - Operating Activities</b>	<b>2,251.32</b>	<b>1,698.50</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment & Intangible Assets including CWIP	(904.01)	(684.07)
Sale of Property, Plant and Equipment	1.96	13.40
Investment in Mutual Funds	(100.00)	(100.00)
Sale of Mutual Funds	110.33	5.70
Movement in Term Deposits	453.36	(406.27)
Interest Received	14.40	35.59
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(423.96)</b>	<b>(1,135.65)</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts from Non Current Borrowings	314.00	789.66
Repayment of Non Current Borrowings	(500.77)	(449.87)
Loan repaid to Director	(363.00)	-
Receipts/(Repayment) of Current Borrowings (Net)	(953.75)	(365.18)
Payment of lease liability	(22.66)	(16.91)
Finance Cost Paid	(329.78)	(599.40)
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<b>(1,855.96)</b>	<b>(641.70)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(28.60)</b>	<b>(78.85)</b>
Add : Opening Cash and Cash Equivalents	55.20	134.05
Closing Cash and Cash Equivalents	<b>26.60</b>	<b>55.20</b>

Note:

- Cash & Cash Equivalents represents cash and bank balances.(Note No.9)
  - Figures for the previous year have been regrouped/rearranged wherever considered necessary.
  - The above Cash Flow Statement has been prepared under the "Indirect Method"as set out in Ind AS – 7 "Statement of Cash Flows"
  - Movement of Liabilities covered under Financing Activities as per IND AS - 7 is given in Note No 44.
- The accompanying Notes are an integral part of the Consolidated Financial Statements.

**As per our report attached of even date**
**For and on behalf of Board of Directors**
**For JKVS & Co.**

 Chartered Accountants  
 Firm Reg. No. 318086E

**Sajal Goyal**

 Partner  
 M. No. 523903

 Place : New Delhi  
 Date : 06th May, 2022

**Anil Khaitan**

 Chairman Cum Managing Director  
 DIN No. 00759951

**Santosh Kumar Sharma**

 Company Secretary  
 M. No. F6817

**Harish Pal Kumar**

 Director  
 DIN No. 01826010

**Pawan Rathi**

Chief Financial Officer

**Consolidated Statement of Change in Equity for the year ended 31st March 2022**

(All amounts are in rupees lakhs, unless otherwise stated)

	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Equity Share Capital &amp; Reconciliation of number of shares outstanding at the beginning and end of the year:</b>				
Balance at the beginning of the year	10,254,750	1,025.48	10,254,750	1,025.48
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	<b>10,254,750</b>	<b>1,025.48</b>	<b>10,254,750</b>	<b>1,025.48</b>

**(b) Other Equity**

Particulars	Reserves and Surplus					Total
	Capital Redemption Reserve	Retained earnings	Other Comprehensive Income			
			Remeasurement of defined benefit plans	Revaluation Reserve on Leasehold Land (Right of Use Assets)	Foreign Currency Translation Reserve	
Balance at April 1, 2020	7.50	3,141.83	-	294.63	(9.61)	3,434.35
Profit/(Loss) for the year		(63.79)	-	-	(63.79)	
Other Comprehensive Income for the year		1.98	-	-	(26.27)	(24.29)
Total Comprehensive Income for the year	7.50	(61.81)	-	294.63	(35.88)	3,346.25
Transfer OCI to Retained earnings	-	-	-	-		
Balance at March 31, 2021	7.50	3,080.00	-	294.63	(35.88)	3,346.25
Profit/(Loss) for the year	-	642.06				642.06
Other Comprehensive Income for the year	-	(5.97)		-	(12.33)	(18.30)
Total Comprehensive Income for the year	-	636.09	-	-	(12.33)	623.76
Transfer OCI to Retained earnings	-	-	-			-
Balance at March 31, 2022	7.50	3,716.09	-	294.63	(48.21)	3,970.01

**Capital Redemption Reserve:** It represents the redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

**Revaluation Reserve on Leasehold Land (Right of Use Assets):** It represents gain on revaluation of leasehold land (refer note no. 38 (B) (i)).

The accompanying Notes are an integral part of the Consolidated Financial Statements.

**As per our report attached of even date**

**For JKVS & Co.**  
Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**  
Partner  
M. No. 523903

**For and on behalf of Board of Directors**

**Anil Khaitan**  
Chairman Cum Managing Director  
DIN No. 00759951

**Santosh Kumar Sharma**  
Company Secretary  
M. No. F6817

**Harish Pal Kumar**  
Director  
DIN No. 01826010

**Pawan Rathi**  
Chief Financial Officer

Place : New Delhi  
Date : 06th May, 2022



**Notes to Consolidated Financial Statements for the year ended 31st March, 2022**

(All amounts are in rupees lakhs, unless otherwise stated)

**1 Reporting Entity**

The Consolidated financial Statements comprise financial Statements of Sunil Healthcare Limited ("the Company or Parent Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2022. The Company is a public Company domiciled in India and having registered office at 38E/252A, Vijay Tower, Shahpurjat, New Delhi-110049, India.

The Group has manufacturing plant in Alwar (Rajasthan), India. The Group is a manufacturer of Empty Hard Gelatin, HPMC Capsule Shells & Ayurvedic medicines.

The Consolidated financial Statements are approved for issue by Board of Directors of Group at the meeting held on 6th May, 2022.

**2 Significant Accounting Policies**

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard.

**2.1 Statement of Compliance**

The Consolidated financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

**2.2 Basis of Consolidation**

The Consolidated Ind AS Financials Statements incorporate the financial Statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:

- Has power over the investee;
- Is exposed or has rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Consolidated financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial Statements in preparing the Consolidated financial Statements to ensure conformity with the Group's accounting policies. The financial Statements of all entities used for the purpose of consolidation

are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

**Consolidation procedure:**

- (a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

**Basis of measurement**

The Consolidated financial Statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Non-current borrowings are initially measured at amortized cost.
- Investments other than investment in subsidiaries are measured at fair value at each reporting date.
- Derivative instruments are measured at fair value
- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.
- Revaluation of leasehold land (Right of use assets)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** : inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- **Level 2** : inputs ,other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** : inputs are unobservable inputs for the asset or liability.

**2.3 Functional and presentation currency**

These Consolidated financial Statements are presented in Indian National Rupee ('INR'), which is the Group's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

**2.4 Use of judgements and estimates**

In preparing these Consolidated financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets,

liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial Statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### **Judgements**

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated financial Statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible Assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Assessment of recoverability of receivables and advances and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.
- Uncertainty relating to the global health pandemic

## **2.5 Classification of Assets and Liabilities as Current and Non-Current**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

### **An asset/liabilities is treated as current when it is:**

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

The Group has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## **2.6 Property, Plant and Equipment (PPE)**

### **Recognition and Measurement**

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure leasehold land at fair value. Consequently the fair value has been assumed to be deemed cost of leasehold land on the date of transition i.e. April 01, 2016.

### **Subsequent Measurement**

Subsequent expenditure is capitalised only if it is probable that there is a future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably.

### **Depreciation**

Depreciation on PPE is calculated on Straight Line Method using the rates arrived at estimated useful lives given in Schedule II of the Companies Act, 2013 or assessed by the Group on technical evaluation, as given below.

#### **Plant and Machinery      15 to 40 years (single shift)**

Capsule Manufacturing Machines    - 40 years (single shift)

Capsule Printing Machine            - 40 years (single shift)

#### **Electrical Installation      15 to 40 years (single shift)**

33KV Transformer                      - 40 Years ( single shift)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### **Capital work-in-progress**

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

### **De-recognition**

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item

of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the assets and it recognised in the Statement of Profit and Loss.

## **2.7 Intangible assets**

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 6 years and Patent is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

## **2.8 Non-current assets held for sale**

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

## **2.9 Impairment of non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

## **2.10 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs includes unwinding charges of redeemable preference shares.

**2.11 Foreign currency transactions**

Transactions in foreign currencies are recorded by the Group entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- In respect of long term foreign currency monetary items recognised in the Consolidated financial Statements for the period ending immediately before the beginning of the first Ind as financial reporting period, the Group has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

On consolidation, the assets and liabilities of foreign operations are translated into Rs. at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

**2.12 Employee benefits****Short term employee benefits**

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Employee benefits in the form of Provident Fund (with Government Authorities) is defined as contribution plan and charged as expenses during the period in which the employees perform the services.

**Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI and such re-measurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the

period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:"

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### **Other long-term employee benefits**

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

### **2.13 Revenue Recognition**

The majority of the Group's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Group has determined when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer or its agent and the Group is entitled to receive payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/ GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer, wherever applicable.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

### **2.14 Inventories**

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade and Stores & Spares are valued at the lower of cost and net realizable value except scrap/waste which are value at net realizable value. The cost is computed on FIFO basis. Finished Goods and work in progress Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

### **2.15 Provisions, Contingent Liabilities and Contingent Assets**

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a

reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the Consolidated financial Statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the Consolidated financial Statements but disclosed, where an inflow of economic benefit is probable.

## **2.16 Measurement of fair value**

### **a) Financial instruments**

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

### **b) Marketable and non-marketable equity securities**

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

### **b) Derivatives**

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date.

### **c) Leasehold land**

Fair valuation of leasehold land at revaluation date is estimated by the independent valuer in accordance with measurement principles as prescribed in Indian Accounting Standards (IND AS).

## **2.17 Financial instruments**

### **Financial Assets**

#### **Initial recognition and measurement**

All financial assets are recognised initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **Classifications**

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### **Financial assets at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.



After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

**Financial assets at fair value through Other Comprehensive Income (FVOCI)**

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

**Financial assets at fair value through Profit & Loss (FVTPL)**

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

In addition, the Group may elect to classify a Financial assets, which otherwise meets amortized cost or FVTPL criteria, as at FVOCI. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**Equity Instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

**Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial Liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Consolidated Statement of Profit & Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit & Loss.

**Derecognition of financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

**2.18 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit & Loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or expected to be enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognised amounts; and

- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Consolidated Balance Sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Consolidated Statement of Profit & Loss and included in deferred tax assets.

The Group reviews the same at each Consolidated Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

**2.19 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Group as a lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, wherein, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

**Lease Liability**

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease. Premium on Leasehold land is being amortised over the period of lease tenure.

Leasehold land is revalued at interval of every 4 years to reflect current market value. Refer foot note ""Revaluation Reserve on Leasehold Land (Right of Use Assets)"" in Statement of change in Equity.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement"

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

## **2.20 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

## **2.21 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Group has been identified as being the chief operating decision maker by the Management of the Group.

## **2.22 Earning Per Share (EPS)**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

## **2.23 Standard issued but not yet effective**

Ministry of Corporate Affairs ("MCA") has not notified new standard which would have been applicable from April 1, 2022.

However, on March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022. The effect of those amendments is not material to the Company.

**Notes to Consolidated Financial Statements for the year ended 31st March 2022**

(All amounts are in Rupees lakhs, unless otherwise stated)

**3 (i) Property, Plant and Equipment**

Particulars	Buildings	Plant and Equipment	Electric Installations	Furniture and Fixtures	Office Equipments	Art Work	Vehicles	Total	Capital in Progress
<b>Gross Block</b>									
<b>As at 31st March 2020</b>	<b>544.84</b>	<b>5,834.08</b>	<b>329.92</b>	<b>340.22</b>	<b>42.94</b>	-	<b>481.43</b>	<b>7,573.43</b>	<b>0.69</b>
Additions	12.11	499.50	13.85	5.85	2.35	-		533.66	284.61
Deductions/ Adjustments		5.00		0.01	3.66	-		8.67	284.61
<b>As at 31st March 2021</b>	<b>556.95</b>	<b>6,328.58</b>	<b>343.77</b>	<b>346.06</b>	<b>41.63</b>	-	<b>481.43</b>	<b>8,098.42</b>	<b>0.69</b>
Additions	58.28	461.95	51.74	47.80	11.39	5.04	12.79	648.99	786.04
Deductions/ Adjustments		1.57		0.67	7.08			9.32	611.67
<b>As at 31st March 2022</b>	<b>615.23</b>	<b>6,788.96</b>	<b>395.51</b>	<b>393.19</b>	<b>45.94</b>	<b>5.04</b>	<b>494.22</b>	<b>8,738.09</b>	<b>175.06</b>
<b>Accumulated Depreciation</b>									
<b>As at 31st March 2020</b>	<b>90.83</b>	<b>1,458.57</b>	<b>109.62</b>	<b>132.82</b>	<b>27.23</b>	-	<b>209.39</b>	<b>2,028.46</b>	-
Additions	23.74	435.11	31.71	34.09	5.21	-	59.87	589.73	-
Deductions/ Adjustments		(5.00)			1.98	-		(3.02)	-
<b>As at 31st March 2021</b>	<b>114.57</b>	<b>1,898.68</b>	<b>141.33</b>	<b>166.91</b>	<b>30.46</b>	-	<b>269.26</b>	<b>2,621.21</b>	-
Additions	23.27	450.67	33.86	35.09	4.54	-	54.46	601.88	-
Deductions/ Adjustments		(0.83)		0.64	6.46	-		6.27	-
<b>As at 31st March 2022</b>	<b>137.84</b>	<b>2,350.18</b>	<b>175.19</b>	<b>201.36</b>	<b>28.54</b>	-	<b>323.72</b>	<b>3,216.83</b>	-
<b>Net block</b>									
<b>As at 31st March 2021</b>	<b>442.38</b>	<b>4,429.90</b>	<b>202.44</b>	<b>179.15</b>	<b>11.17</b>	-	<b>212.17</b>	<b>5,477.21</b>	<b>0.69</b>
<b>As at 31st March 2022</b>	<b>477.39</b>	<b>4,438.78</b>	<b>220.32</b>	<b>191.83</b>	<b>17.40</b>	<b>5.04</b>	<b>170.50</b>	<b>5,521.26</b>	<b>175.06</b>

Note:

- Assets pledged and Hypothecated against borrowings: (Refer note no.16 and 19)
- Vehicle Includes Rs. 130.85 lakhs (31st March 2021- Rs. 256.34 Lakhs) carrying amount are hypothecated against the finance scheme from banks.
- For Capital work in progress aging refer note no 47.

### 3 (ii) Right of Use Assets

Particulars	Leasehold Land	Buildings	Total
<b>Gross Block</b>			
<b>As at 31st March 2020</b>	<b>1,414.64</b>	<b>27.94</b>	<b>1,442.58</b>
Recognised as on 01st April 2020	-	72.44	72.44
Deductions/ Adjustments		27.94	27.94
<b>As at 31st March 2021</b>	<b>1,414.64</b>	<b>72.44</b>	<b>1,487.08</b>
Deductions/ Adjustments			-
<b>As at 31st March 2022</b>	<b>1,414.64</b>	<b>72.44</b>	<b>1,487.08</b>
<b>Accumulated Depreciation</b>			
<b>As at 31st March 2020</b>	<b>0.03</b>	<b>15.24</b>	<b>15.27</b>
Additions	0.01	16.74	16.75
Deductions/ Adjustments	-	27.94	27.94
<b>As at 31st March 2021</b>	<b>0.04</b>	<b>4.04</b>	<b>4.08</b>
Additions	0.01	24.15	24.16
Deductions/ Adjustments	-		-
<b>As at 31st March 2022</b>	<b>0.05</b>	<b>28.19</b>	<b>28.24</b>
<b>Net block</b>			
<b>As at 31st March 2021</b>	<b>1,414.60</b>	<b>68.40</b>	<b>1,483.00</b>
<b>As at 31st March 2022</b>	<b>1,414.59</b>	<b>44.25</b>	<b>1,458.84</b>

# Refer note no. 38 (B) (i).

### 3 (iii) Intangible Assets

Particulars	Software	Patent	Total
<b>Gross Block</b>			
<b>As at 31st March 2020</b>	<b>30.54</b>	<b>20.43</b>	<b>50.97</b>
Additions	-	-	-
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2021</b>	<b>30.54</b>	<b>20.43</b>	<b>50.97</b>
Additions	1.40	-	1.40
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2022</b>	<b>31.94</b>	<b>20.43</b>	<b>52.37</b>
<b>Accumulated Depreciation</b>			
<b>As at 31st March 2020</b>	<b>19.47</b>	<b>6.55</b>	<b>26.02</b>
Additions	2.83	2.04	4.87
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2021</b>	<b>22.30</b>	<b>8.59</b>	<b>30.89</b>
Additions	2.65	2.04	4.69
Deductions/ Adjustments	-	-	-
<b>As at 31st March 2022</b>	<b>24.95</b>	<b>10.63</b>	<b>35.58</b>
<b>Net block</b>			
<b>As at 31st March 2021</b>	<b>8.24</b>	<b>11.84</b>	<b>20.08</b>
<b>As at 31st March 2022</b>	<b>6.99</b>	<b>9.80</b>	<b>16.79</b>

#### Note

- (i) Patent is pending for registration with respective department.

		<b>As at</b>	
		<b>31st March 2022</b>	<b>31st March 2021</b>
<b>4</b>	<b>Investments</b>		
	Investment in Mutual Fund (Unquoted) (valued at fair value through profit & loss)		
	Nil Units (31st March 2021-50,000 units)		
	of SBI Dual Advantage Fund- Series XXIV- Regular	-	5.96
	Nil Units (31st March 2021-3,11,236.51 Units)		
	of SBI Saving Fund - 079B	-	101.37
	4,99,975.01 Units (31st March 2021- Nil units)		
	of Rs. 10 each of SBI Saving Fund (652G)	51.43	-
	2,49,262.15 Units (31st March 2021- Nil Units)		
	of Rs. 10 each of SBI Balance Advantage Fund-Regular Fund	25.69	-
	43,479.57 Units (31st March 2021- Nil Units)		
	of Rs. 57.50 each of SBI Blue Chip Fund-Regular Plan-Growth	26.15	-
		<b>103.27</b>	<b>107.33</b>
	<b>a. Aggregate amount of investments are given below:</b>		
	Aggregate book value of unquoted investments	<b>103.27</b>	<b>107.33</b>
<b>5</b>	<b>Other Non-Current Financial Assets</b>		
	<b>(Unsecured, Considered Good Unless Stated Otherwise)</b>		
	Security Deposits	99.28	92.86
		<b>99.28</b>	<b>92.86</b>
<b>6</b>	<b>Other Non-Current Assets</b>		
	Deposit under protest	0.81	7.94
	Capital Advances	98.28	10.47
	Prepaid Expenses	14.87	5.84
		<b>113.96</b>	<b>24.25</b>
<b>7</b>	<b>Inventories</b>		
	<b>(Valued at Lower of Cost and Net Realisable Value)</b>		
	<b>(As taken, Valued and Certified by the Management)</b>		
	Raw materials	367.71	61.60
	Work in progress	262.59	597.25
	Finished goods	211.25	378.67
	Capsule - Scrap	10.06	1.45
	Stores and spares	253.88	333.91
		<b>1,105.49</b>	<b>1,372.88</b>
	<b>a. Inventories are hypothecated to secure short-term borrowings. Refer to Note No. 19.</b>		



**8 Trade Receivables**

<b>Unsecured Considered Good</b>	<b>1,889.18</b>	<b>2,343.11</b>
Have Significant increase in Credit Risk	187.92	229.85
	2,077.10	2,572.96
Less : Provision for loss allowance	187.92	229.85
	<b>1,889.18</b>	<b>2,343.11</b>

Refer Note No. 37 for Related party disclosures.

Ageing for Trade Receivables - Non current outstanding as at March 31 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payments					Total
		Less Than 6 Months	6 Month to 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) Undisputed Trade Receivables- Considered Goods	1,722.04	79.34	20.88	4.75	36.19	25.98	1,889.18
2) Undisputed Trade Receivables-Which have Significant Increase in Credit Risk	-	25.28	-	15.69	7.20	139.75	187.92
3) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
4) Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-	-
5) Disputed Trade Receivables-Which have Significant Increase in Credit Risk	-	-	-	-	-	-	-
6) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,722.04</b>	<b>104.62</b>	<b>20.88</b>	<b>20.44</b>	<b>43.39</b>	<b>165.73</b>	<b>2,077.10</b>

Ageing for Trade Receivables - Non current outstanding as at March 31 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payments					Total
		Less Than 6 Months	6 Month to 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) Undisputed Trade Receivables- Considered Goods	1,882.96	118.72	53.17	57.27	98.35	132.64	2,343.11
2) Undisputed Trade Receivables-Which have Significant Increase in Credit Risk	-	29.96	-	16.33	54.77	128.79	229.85
3) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
4) Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-	-
5) Disputed Trade Receivables-Which have Significant Increase in Credit Risk	-	-	-	-	-	-	-
6) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,882.96</b>	<b>148.68</b>	<b>53.17</b>	<b>73.60</b>	<b>153.12</b>	<b>261.43</b>	<b>2,572.96</b>

**9 Cash and Cash Equivalents**

Cash on hand	3.01	0.70
Balances with Banks		
On Currents Accounts	23.59	54.50
	<b>26.60</b>	<b>55.20</b>

**10 Other Bank Balances**

Term Deposits having maturity less than 12 months		200.00
Term Deposits having maturity less than 12 months (Pledged against Guarantee / Margin money)	319.20	572.56
	319.20	772.56
Deposit with Post Office	0.06	0.06
	<b>319.26</b>	<b>772.62</b>

**11 Other Current Financial Assets**

Accrued Interest*	21.16	13.86
Other receivables	0.94	21.57
	<b>23.49</b>	<b>36.74</b>

\*Refer Note No. 37 for Related party disclosures.

**12 Current Tax Assets (Net)**

Advance tax and TDS deducted at source (Net of provision of income tax)	3.84	16.40
	<b>3.84</b>	<b>16.40</b>

**13 Other Current Assets**

Prepaid Expenses	35.77	52.66
Export Incentive Receivable	-	52.84
Other Advances	53.79	88.40
Input Tax Credit	15.20	42.52
Others *	8.05	17.64
	<b>112.81</b>	<b>254.06</b>

\* Others includes advance against expenses and advance to employees.

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

1,08,00,000 (31st March 2021 - 1,08,00,000) equity Shares of Rs 10/- each. 1,080.00 1,080.00

6,20,000 (31st March 2021 - 6,20,000) Redeemable Non Cumulative and Non Participatory Preference Shares of Rs 100/- each #

**1,080.00 1,080.00**

**Issued, Subscribed and Paid up:**

1,02,54,750 (31st March 2021 - 1,02,54,750) Equity Shares of Rs 10 /-each fully paid up 1,025.48 1,025.48

**1,025.48 1,025.48**

# For subscribed and paid up (Refer Note No 14C)

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

	2021-22		2020-21	
	Numbers	Rs in Lakhs	Numbers	Rs in Lakhs
Equity Shares outstanding at the beginning of the year	10,254,750	1,025.48	10,254,750	1,025.48
Addition during the year	-	-	-	-
Equity Shares outstanding at the end of the year	<b>10,254,750</b>	<b>1,025.48</b>	<b>10,254,750</b>	<b>1,025.48</b>

**C Terms/Right, Preferences and Restrictions 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.

**D List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)**

Name of shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	Percentage of Holding	No. of Shares held	Percentage of Holding
Mr. Anil Kumar Khaitan	5,942,494	57.95%	5,942,494	57.95%
M/S Magnum Computer Private Limited	1,327,211	12.94%	1,327,211	12.94%
M/S SNK Executive Search Pvt Ltd	543,690	5.30%	543,690	5.30%

**E Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2022 is as follows:

Name of the shareholder	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Mr. Anil Kumar Khaitan	5,942,494	57.95	5,942,494	57.95	-
Mrs. Renu Modi	270,600	2.64	270,600	2.64	-
Magnum Computers Private Limited	1,327,211	12.94	1,327,211	12.94	-
	<b>7,540,305</b>	<b>73.53</b>	<b>7,540,305</b>	<b>73.53</b>	

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2021 is as follows:

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Mr. Anil Kumar Khaitan	5,942,494	57.95	5,942,494	57.95	-
Mrs. Renu Modi	270,600	2.64	270,600	2.64	-
Magnum Computers Private Limited	1,327,211	12.94	1,327,211	12.94	-
	<b>7,540,305</b>	<b>73.53</b>	<b>7,540,305</b>	<b>73.53</b>	

## 15 Other Equity

### (i) Capital Redemption Reserve

Balance at the beginning of the year	7.50	7.50
Addition/ (Transfer) during the year		
	<b>7.50</b>	<b>7.50</b>

### (ii) Retained Earnings

Balance at the beginning of the year	3,080.00	3,141.83
Add: Profit/(Loss) during the year	642.06	(63.79)
Add: Remeasurement of defined benefit plan	(5.97)	1.98
	<b>3,716.09</b>	<b>3,080.00</b>
Total Reserve and Surplus (i to ii)	<b>3,723.59</b>	<b>3,087.50</b>

### (iii) Other Comprehensive Income

Remeasurement gain/(Loss) of defined benefit plan		
Balance at the beginning of the year	18.30	(16.21)
Transfer to Retain earnings	(18.30)	16.21
	-	-

### Revaluation Reserve on Leasehold Land (Right of Use Asset)/ FCTR

Balance at the beginning of the year	294.63	294.63
	<b>294.63</b>	<b>294.63</b>

### Foreign Currency Translation Reserve

Balance at the beginning of the year	(35.88)	(9.61)
Addition during the year	(12.33)	(26.27)
Balance at the end of the year	(48.21)	(35.88)
<b>Total Other Equity</b>	<b>3,970.01</b>	<b>3,346.25</b>

**16 Borrowings - Non- current**
**Secured**
**Term Loans**

From Banks	802.44	628.00
From Financial Institution	226.98	472.19

**Vehicle Loans**

From Banks	7.50	68.21
From Others	11.70	15.09

**Unsecured**
**Term Loans**

From Banks	7.89	25.21
From Bodies Corporate	31.00	69.25
From Financial Institution	5.77	
From a Director	318.00	681.00
Redeemable Preference Shares	100.46	87.18
	<b>1,511.74</b>	<b>2,046.13</b>

**Less: Current Maturities of Non Current Borrowings**
**Secured**
**Term Loans**

From Banks	209.33	122.11
From Financial Institution	164.59	252.53

**Vehicle Loans**

From Banks	7.50	60.71
From Financial Institution	4.25	3.66

**Unsecured**
**Term Loans**

From Banks	7.89	18.71
From Financial Institution	4.44	64.80
From Bodies Corporate	31.00	
	<b>429.00</b>	<b>522.53</b>
	<b>1,082.74</b>	<b>1,523.60</b>

**Notes:**
**A. Security**

- 1 Term loans of Rs. 1029.42 Lakhs are secured by specific movable or immovable plant, property and equipment financed by lender. The same is also personally guaranteed by Chairman cum Managing Director and a relative.
- 2 Vehicle loan are secured by specific vehicle financed by respective banks and financial Institution.

**B. Repayment of term loans and Rate of interest**

- 1 Term loans of Rs. 122.98 Lakhs (31st March 2021 - Rs. 349.48 lakhs) from financial institution is repayable in 7 monthly installment (Previous year- 19 Installment) and carries interest rate ranging 10% to 12.3% per annum. Term Loan of Rs. 104 Lakhs taken ( 31st March 2021- Rs. 124.80 lakhs) from financial institution is repayable in 30 monthly installments ( Previous year-36 Installments) and carries interest rate ranging from 10% -11.5% per annum
- 2 Term Loan of Rs. 488.44 Lakhs (31st March, 2021 - Rs. 628 lakhs) is repayable in 28 monthly installment (Previous year - 36 Installments) and carries interest rate 7.4% per annum.  
  
Term Loan of Rs 314.00 Lakhs from a Bank taken during the year is repayable in 36 monthly installments starting from November 2023 and carries interest rate of 7.40% per annum.
- 3 Vehicle loan of Rs. 19.2 Lakhs (31st March, 2021 - Rs. 83.30 lakhs) is repayable in 24 monthly installment (Previous year - 36 Installments) and carries interest rate ranging 9 % to 15% per annum.
- 4 Unsecured term loan of Rs. 13.66 Lakhs (31st March 2021 - Rs. 48.46 lakhs) from Bank/financial institutions is repayable in 5 monthly installment (Previous year - 17 Installments) and carries interest rate ranging 17%-18.25% per annum.
- 5 Unsecured loan of Rs. 318.00 Lakhs (31st March 2021 - Rs. 681.00 lakhs) from a director are repayable in the year 2024 and carries interest rate ranging 9.25% per annum.

**C. Terms/Right, Preferences and Restrictions attached to Preference shares**

- (i) 5,82,500 (31st March 2021 - 5,82,500) Redeemable Non Cumulative and Non Participatory -
- |                                     |        |        |
|-------------------------------------|--------|--------|
| Preference Shares of Rs 100/- each* | 582.50 | 582.50 |
| Premium on above preference shares* | 582.50 | 582.50 |

\* Refer Note No 38(B)(ii)

**(ii) Reconciliation of Preference Shares outstanding at the beginning and at the end of year are given below:**

	2021-22		2020-21	
	Numbers	Rs in Lakhs	Numbers	Rs in Lakhs
Preference Shares outstanding at the beginning of the year	582,500	582.50	582,500	582.50
Add: Issued during the year	-	-	-	-
Preference Shares outstanding at the end of the year	<b>582,500</b>	<b>582.50</b>	<b>582,500</b>	<b>582.50</b>

The Company has issued 5,82,500, 0.01% Redeemable non cumulative preference shares of Rs. 100 each at a premium of Rs. 100 each and are redeemable at a premium of Rs. 100 each which are redeemable at a premium of Rs. 100 each upon expiry of 20 years from the date of allotment i.e. 4th July, 2019. These preference share holders have priority over equity share holders on dividend payment and capital repayment in case of winding up of the Company. The voting rights of the persons holding the Preference Shares shall be in accordance with the provisions of Section 47 and other applicable provisions, if any, of the Companies Act, 2013.

**17 Provisions - Non-Current**

Employees Benefits	207.31	210.54
	<b>207.31</b>	<b>210.54</b>

**18 Deferred tax liabilities (net)**
**A. Movement in deferred tax balances**

Particulars	As at 31st March 2020	Recognized in P&L	Recognized in OCI	As at 31st March 2021	Recognized in P&L	Recognized in OCI	As at 31st March 2022
<b>Deferred Tax Liabilities</b>							
Property, plant and equipments, intangible assets and right of use assets	903.38	(0.10)		903.28	19.83		923.11
Fair Value of Redeemable Preference Shares	303.05	(3.20)		299.85	(3.70)	-	296.15
Others	0.24	0.41		0.65	0.26	-	0.91
<b>Sub- Total (a)</b>	<b>1,206.67</b>	<b>(2.89)</b>	<b>-</b>	<b>1,203.78</b>	<b>16.39</b>	<b>-</b>	<b>1,220.17</b>
<b>Deferred Tax Assets</b>							
Accrued expenses deductible on payment basis	81.37	3.94	(0.76)	84.55	1.07	2.30	87.92
MAT credit entitlement	65.55			65.55	146.04	-	211.59
Carryforward business losses including unabsorbed depreciation	364.58	71.86		436.44	(248.23)		188.21
Provision for loss allowance	138.81	(74.87)		63.94	(11.66)	-	52.28
Others	4.84	(6.59)		(1.75)	1.22	-	(0.53)
<b>Sub- Total (b)</b>	<b>655.15</b>	<b>(5.66)</b>	<b>(0.76)</b>	<b>648.74</b>	<b>(111.56)</b>	<b>2.30</b>	<b>539.48</b>
<b>Net Deferred Tax Liability (a)-(b)</b>	<b>551.52</b>	<b>2.77</b>	<b>0.76</b>	<b>555.04</b>	<b>127.95</b>	<b>(2.30)</b>	<b>680.69</b>

The Group has unabsorbed depreciation, carry forward business losses and unutilised MAT Credit accumulation as on the reporting date. As per the approved business plan and projections of the Company, the Group expects to utilize business losses, unabsorbed depreciation and MAT Credit within prescribed/reasonable period. Further, in view of unabsorbed depreciation and MAT credit entitlement, the Group has not exercised option under section 115 BAA of the Income Tax Act, 1961 and continue to recognise the taxes on income for the year and defer tax as per the normal tax rate at which management expect to recover or settle the defer tax. Group will review the above position at each year end.

**B. Amounts recognised in the Statement of Profit or Loss**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Current tax expense</b>		
Current year	156.00	0.23
Income tax for earlier year	0.46	5.47
	<b>156.46</b>	<b>5.70</b>
<b>Deferred tax expense Charge/(Credit)</b>		
Origination and reversal of temporary differences	127.95	2.77
	<b>127.95</b>	<b>2.77</b>
<b>Total Tax Expense</b>	<b>284.41</b>	<b>8.47</b>

**C. Amounts recognised in Other Comprehensive Income**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Deferred Tax (Charge)/Credit</b>		
Remeasurements of defined benefit obligation	2.30	(0.76)
Revaluation of leasehold land (Right of use assets)	-	-
	<b>2.30</b>	<b>(0.76)</b>

**D. Reconciliation of Tax expense**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Accounting profit/(loss) before tax	926.47	(55.32)
Tax using the Company's domestic tax rate @ 27.82% (Previous Year- 27.82%)	-	(15.39)
Tax effect of:		
Non-deductible expenses	5.59	3.96
Changes in estimates related to prior years	0.46	5.47
Others	20.62	(2.51)
	<b>26.67</b>	<b>(8.47)</b>

**19 Borrowings - Current**
**Secured**

Working capital facilities from a bank	1,174.74	2,134.29
Buyer's Import Credit	735.78	732.80
	<b>1,910.52</b>	<b>2,867.09</b>

**Current Maturities of Non Current Borrowings**

Secured	385.67	439.02
Unsecured	43.33	83.51
	<b>429.00</b>	<b>522.53</b>
	<b>2,339.52</b>	<b>3,389.62</b>

Note:

- (a) Working capital facilities from bank is secured by first charge by way of hypothecation 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 Property, Plant and Equipment of Company except those non current assets financed by the body corporates. The same is also personally guaranteed by Chairman cum Managing director and a relative and carries interest rate of 9.40% per annum linked with 1 year MCLR (previous year - 9.4% per annum linked with 1 year MCLR). Other are secured by receivables and carries interest rate of 11% per annum.



**20 Trade payables**

Total Outstanding dues of Micro enterprises and Small enterprises*	213.61	97.29
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises#	649.74	1,183.07
	<b>863.35</b>	<b>1,280.36</b>

\* For MSME disclosure, refer Note No. 41.

# Refer Note No. 37 for Related party disclosures.

**Ageing for Trade Payables outstanding as at March 31, 2022 is as follows:**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) MSME	-	97.76	115.80	0.05	0.00	-	213.61
2) Others	209.22	171.43	233.98	1.78	7.39	25.94	649.74
3) Disputed Dues - MSME	-	-	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>209.22</b>	<b>269.19</b>	<b>349.78</b>	<b>1.83</b>	<b>7.39</b>	<b>25.94</b>	<b>863.35</b>

**Ageing for Trade Payables outstanding as at March 31, 2021 is as follows:**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1) MSME	-	24.00	62.20	8.35	2.71	0.03	97.29
2) Others	159.43	589.86	361.44	28.09	37.07	7.18	1,183.07
3) Disputed Dues - MSME	-	-	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>159.43</b>	<b>613.86</b>	<b>423.64</b>	<b>36.44</b>	<b>39.78</b>	<b>7.21</b>	<b>1,280.36</b>

**21 Other Current Financial Liabilities**

Interest Accrued*	14.61	10.88
Capital Creditors**	53.83	46.67
	<b>68.44</b>	<b>57.55</b>

\* Refer Note No. 37 for Related party disclosures.

\*\* Capital Creditors includes MSME Creditors of Rs. 15.38 Lakhs

**22 Other Current Liabilities**

Statutory dues	27.49	26.98
Advances from customers	427.77	386.94
Accruals to employees and others	96.71	83.61
Others	-	8.25
	<b>551.97</b>	<b>505.78</b>

**23 Provisions- Current**

Employees Benefits	108.71	93.39
	<b>108.71</b>	<b>93.39</b>

**24 Current Tax Liability(net)**

Current Tax Liability [net of Advance Tax of Rs. 87.19 Lakhs(31st March2017 - Rs. 198.03 Lakhs, 01st April 2016 - Rs.126.54 lakhs)]	24.75	-
	<b>24.75</b>	<b>-</b>

**For the Year ended**

31-Mar-2022	31-Mar-2021
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**25 Revenue from Operations:**
**Sale of Products**

Empty Capsules	11,915.84	9,032.78
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**Other Operating Revenue**

Export Incentives	0.57	29.22
	<b>11,916.41</b>	<b>9,062.00</b>

- a) Unsatisfied performance obligation (contract liabilities) Refer note no.22.  
b) The above revenues have been recognised at point of time.  
c) For contract assets and balances Refer note no. 8.

**26 Other Income:**

Interest Income	21.63	31.75
Unspent liabilities written back	26.57	111.46
Reversal of provision for loss allowances	-	269.11
Gain on foreign currency transactions and translation (Net)	70.63	-
Provision no longer required, written back	41.93	-
Gain on fair valuation of mutual fund	0.94	1.51
Profit on sale of Mutual Fund measured at fair value	5.33	0.70
Bonus received on Key Insurance Policy	-	135.13
Sundry balances written back	-	5.43
Misc. Income	0.51	2.80
	<b>167.55</b>	<b>557.89</b>

**27 Cost of Materials Consumed:**

Raw Material		
Gelatine	4,099.88	3,125.15
Colour & Chemical	216.48	145.97
	4,316.36	3,271.12
Less: Transfer to Capital Work-in-Progress/Capitalised	26.22	9.57
	<b>4,290.14</b>	<b>3,261.55</b>

**28 Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade**
**Opening Inventories**

Work-in-Progress	597.25	814.55
Finished Goods	378.67	1,169.71
Capsule Scrap*	3.25	0.79
	<b>979.17</b>	<b>1,985.05</b>

**Less: Closing Inventories**

Work-in-Progress	262.59	597.25
Finished Goods	211.25	378.67
Capsule Scrap*	10.06	1.45
Transition adjustments	(19.88)	(1.05)
	<b>464.02</b>	<b>976.32</b>

**Change in inventories**

<b>515.15</b>	<b>1,008.73</b>
---------------	-----------------

\*Includes inventory generated Rs. 1.80 Lakhs (Previous year Rs. 0.69 Lakhs) on commissioning of new product line.

**29 Employee Benefits Expenses:**

Salaries and Wages	1,259.08	1,041.37
Contribution to Provident and other Funds	112.90	99.73
Employee Welfare	52.91	89.12
	<b>1,424.89</b>	<b>1,230.22</b>
Less: Transfer to Capital Work-in-Progress/Capitalised	5.92	0.70
	<b>1,418.97</b>	<b>1,229.52</b>

**30 Finance Costs:**

Interest Expenses	245.04	445.45
Interest on lease liabilities	4.33	1.47
Unwinding charges of Preference Shares	13.28	11.52
Other Borrowing Costs	80.16	69.64
Interest on Statutory dues	6.06	2.77
	<b>348.88</b>	<b>530.85</b>

**30.1 Depreciation and Amortization Expenses:**

Depreciation on Property, Plant and Equipements	601.88	589.73
Depreciation on Right of Use Assets	24.16	16.75
Amortization on Intangible Assets	4.69	4.87
	<b>630.73</b>	<b>611.35</b>

**31 Other Expenses:**

Consumption of Stores and Spares	89.60	94.51
Power and Fuel	889.97	838.59
Job Work charges	375.72	288.78
Packing Materials	273.31	226.46
Repairs to Buildings	34.06	25.81
Repairs to Machinery	306.11	190.12
Repairs to Others	37.63	38.23
Travelling & Conveyance	42.83	33.64
Legal & Professional Charges	156.35	124.45
Rates and Taxes	18.66	5.46
Rent	19.88	40.67
Insurance	71.20	65.41
Auditors' Remuneration	11.93	10.25
Freight and Forwarding Expenses (Net)	651.35	546.24
Selling Commission	31.64	32.81
Claim paid to Supplier	172.55	-
Donation	-	0.12
Directors' Fee	4.34	5.36
Loss on sale/ discarded of property, plant and equipment (Net)	0.13	6.03
Bad Debts	345.90	-
CSR expense	11.24	17.39
Sundry balances Written off	123.98	74.51
Advances and other recoverable Written off	-	31.43
Miscellaneous	256.53	286.62
	<b>3,924.91</b>	<b>3,033.67</b>
Less: Transfer to Capital Work-in-Progress/Capitalised	11.28	0.46
	<b>3,913.63</b>	<b>3,033.21</b>

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

	Period ended	
	31st March, 2022	31st March, 2021
Profit/(Loss) for the year from Continuing Operations	623.76	(63.79)
Weighted average number of shares used in the calculation of EPS	10254750	10254750
Face value of per share	10.00	10.00
Basic and Diluted EPS	6.08	(0.62)
Basic and Diluted EPS	6.08	(0.62)

### 33 Contingent liabilities, contingent assets and commitments

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A Contingent liabilities in respect of:</b>		
(i) Demand for interest and penalty on delay deposit of provident fund under the Employees provident fund and miscellaneous provisions Act, 1952, disputed by the Group	2.72	2.72
In the Opinion of the management, the Group has fair chances of success in the above case and thus chances of liability devolving on the Group is not probable and hence no provision in respect thereof has been made in the books.		
<b>B Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	53.44	-
(Advances paid Rs.98.28 Lakhs in current year(31 March 2021- Rs. 4.90 Lakhs))		
<b>C Others</b>		
(i) The Group has procured certain capital goods in earlier years under EPCG Scheme at concessional rate of duty against commitment to fulfill export obligation. As on 31st March, 2022 the Group is contingently liable to pay differential custom duty Rs. 123.55 Lakhs (31 March 2021- Rs. 123.55 lakhs) on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time and expect no cash outflow on this account.		
(ii) The Group has procured certain raw materials under advance license scheme without payment of custom duty against commitment to fulfill export obligation. As on 31st March, 2022 the Group is contingently liable to pay custom duty Rs. 140.20 Lakhs (31 March 2021- Rs.523.68 lakhs) on balance fulfillment of export obligation. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow this account.		

### 34 Details of Investment covered under section 186(4) of Companies Act, 2013

Details of investments made and their outstanding balances are given in Note No.4.

### 35 Unhedged foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)
	31st March, 2022		31st March, 2021	
Derivatives				
Forward contract	-	-	-	-
Open Exposures				
Receivables				
USD	5.51	417.49	4.74	348.61
EURO	0.05	4.60	0.03	2.83
Payables				
USD	12.92	979.29	9.97	732.83

**36 Employee benefits**

The Group contributes to the following post-employment defined benefit plans in India.

**(i) Defined Contribution Plans:**

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Contribution to Provident Fund	82.42	70.06

**(ii) Defined Benefit Plan:**

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the scheme formed and administrated by LIC.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

**A. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	31st March, 2022			31st March, 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	182.92	19.80	163.12	195.04	50.94	144.10
<b>Included in profit or loss</b>						
Current service cost	19.48	-	19.48	20.02	-	20.02
Interest cost / (income)	12.34	1.34	11.00	13.06	3.41	9.65
	<b>31.82</b>	<b>1.34</b>	<b>30.48</b>	<b>33.08</b>	<b>3.41</b>	<b>29.67</b>
<b>Included in OCI</b>						
Remeasurements loss / (gain)						
-Actuarial loss / (gain) arising from:						
-Demographic assumptions	-	-	-	(8.46)	-	(8.46)
-Financial assumptions	(8.21)	-	(8.21)	(15.21)	-	(15.21)
-Experience adjustment	16.53	-	16.53	18.98	-	18.98
-On plan assets	-	0.05	(0.05)	-	(1.95)	1.95
	<b>8.32</b>	<b>0.05</b>	<b>8.27</b>	<b>(4.69)</b>	<b>(1.95)</b>	<b>(2.74)</b>
<b>Other</b>						
Contributions paid by the employer	-	32.06	(32.06)	-	7.91	(7.91)
Benefits paid	(13.01)	(13.01)	-	(40.51)	(40.51)	-
	<b>(13.01)</b>	<b>19.05</b>	<b>(32.06)</b>	<b>(40.51)</b>	<b>(32.60)</b>	<b>(7.91)</b>
<b>Balance as at 31 March</b>	<b>210.05</b>	<b>40.24</b>	<b>169.81</b>	<b>182.92</b>	<b>19.80</b>	<b>163.11</b>

**B. Plan assets**

Fund managed by insurer

	31/03/2022	31/03/2021
	100%	100%
	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Group, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

**C. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	7.25%	6.75%
Expected rate of future salary increase	3.00%	3.00%
Mortality	100% of IALM	100% of IALM

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Group expects to pay Rs 169.81 Lakhs (31 March 2021- Rs. 163.11 Lakhs) in contribution to its defined benefit plans in the next year.

**D. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31/3/2022		31/3/2021	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+1% Movement)	195.23	227.17	169.46	198.55
Salary Growth rate (-/+1% Movement)	227.75	194.52	199.00	168.88

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**E. Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

- Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

### 37 Related party Transactions

#### A. Related parties and their relationships as identified by the Group

##### i) Key Managerial Personnel (KMP) and their relatives

Name	Designation and Relationship
Mr. Anil Kumar Khaitan	Chairman cum Managing Director
Ms. Sarita Khaitan	Strategy officer, Wife of Key Management Personal
Mr. Ishan Khaitan	President Operation and Marketing, Son of Key Management Personal
Ms. Aanchal Khaitan	Manager Business Development, Daughter in law of Key Management Personal
Mr. Kahaan Khaitan	Senior Vice President Procurement, Son of Key Management Personal
Mr. Rakesh Mohan	Independent Director and KMP under IndAS
Mr. Sanjay kumar Kaushik	Independent Director and KMP under IndAS
Mr. Harish Pal Kumar	Independent Director and KMP under IndAS
Mr. Krishna Venkatachalam Rajan	Independent Director and KMP under IndAS
Mr. Bejon Kumar Mishra	Independent Director and KMP under IndAS
Mrs. Mudita Chaturvedi	Independent Director and KMP under IndAS

#### B. Transactions with the above in the ordinary course of business

Nature of Transaction	For the year ended	
	31/3/2022	31/3/2021
<b>a) Payments to Key Managerial Personnel and their relatives</b>		
<b>(i) Short-term Employee benefits</b>		
Mr. Anil Kumar Khaitan	29.63	31.70
Mrs. Sarita Khaitan	28.29	27.31
Mr. Ishan Khaitan	28.93	28.93
Mr. Kahaan Khaitan	28.93	17.58
Mrs. Anchal khaitan	5.68	5.68
<b>Directors' Sitting Fee:</b>		
Mr. Rakesh Mohan	0.77	0.77
Mr. B P Srinivasan	-	0.43
Mr. Sanjay kumar Kaushik	1.02	1.02
Mr. Harish Pal Kumar	0.94	1.02
Mr. Krishna Venkatachalam Rajan	0.43	0.60
Mr. Bejon Kumar Mishra	0.85	1.02
Mrs. Mudita Chaturvedi	0.34	0.51

excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for Group as whole.



**(ii) Rent, Repair and Maintenance**

Mrs. Sarita Khaitan	24.78	24.78
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**(iii) Loan Repayment**

Mr. Anil Kumar Khaitan	363.00	-
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**(iv) Interest paid/payable**

Mr. Anil Kumar Khaitan	46.03	71.51
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Closing balance at the year end:

Mr. Anil Kumar Khaitan		
-Loan outstanding	318.00	681.00
-Salary Payable	1.26	0.67
-Payable against redeemable preference shares	565.00	565.00

Mrs. Sarita Khaitan		
-Rent Payable	-	0.25
-Salary Payable	1.50	1.50

Mr. Ishan Khaitan		
-Salary Payable	1.63	1.63

Mr. Kahaan Khaitan		
-Salary Payable	0.15	0.77

Mrs. Anchal khaitan		
-Salary Payable	0.41	0.41

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and settlement occurs in cash. Terms and conditions for Loan refer Note No.16 & 19.

### 38 Financial instruments – Fair values and risk management

#### I. Fair value measurements

##### A. Financial instruments by category

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
<b>Financial assets</b>				
Investments - Non Current	-	103.27	-	107.33
Loans - Current	(0.00)	-	-	-
Trade receivables	1,889.18	-	2,343.11	-
Cash and cash equivalents	26.60	-	55.20	-
Bank balances other than above	319.26	-	772.62	-
Others				
Non Current	99.28	-	92.86	-
Current	23.49	-	36.74	-
	<b>2,357.82</b>	<b>103.27</b>	<b>3,300.53</b>	<b>107.33</b>
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Non-current	1,082.74	-	1,523.60	-
Current	2,339.52	-	2,867.09	-
Trade payables	828.19	-	1,280.36	-
Other - Current	68.44	-	57.55	-
Lease Liability - Current	46.16	-	68.82	-
	<b>4,365.05</b>	<b>-</b>	<b>5,797.41</b>	<b>-</b>

##### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.
- To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

**Fair value measurements as at 31st March, 2022**

Particulars	As at 31 March 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Investments at FVTPL</b>					
Investments - Non Current	103.27		103.27		103.27
Leasehold Land	1,414.59	-	-	1,414.59	1,414.59
<b>Total financial assets</b>	<b>1,517.86</b>	<b>-</b>	<b>103.27</b>	<b>1,414.59</b>	<b>1,517.86</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current - Redeemable Preference Shares (including interest component)	100.46	-	-	100.46	100.46
<b>Total financial liabilities</b>	<b>100.46</b>	<b>-</b>	<b>-</b>	<b>100.46</b>	<b>100.46</b>

There are no transfers between level 1 and level 2 during the year.

**Fair value measurements as at 31st March, 2021**

	As at 31st March, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Investments at FVTPL</b>					
Investments - Non Current	107.33	-	107.33	-	107.33
Leasehold Land	1,414.60	-	-	1,414.60	1,414.60
<b>Total financial assets</b>	<b>1,521.93</b>	<b>-</b>	<b>107.33</b>	<b>1,414.60</b>	<b>1,521.93</b>
<b>Financial liabilities</b>					
Borrowings					
Non-current - Redeemable Preference Shares (including interest component)	87.18	-	-	87.18	87.18
<b>Total financial liabilities</b>	<b>87.18</b>	<b>-</b>	<b>-</b>	<b>87.18</b>	<b>87.18</b>

There are no transfers between level 1 and level 2 during the year

**Significant unobservable inputs considered in Level 3 Fair valuation are as under:-**

- (i) Valuation of lease hold Land (right of use Assets) was carried out by Market Approach uses prices and other relevant information generated by market transactions involving comparable assets and considers qualitative and quantitative factors (Comparable companies valuation method) by using market multiples or matrix pricing (compare with Benchmarks) in financial year 2019-20. It reveals that similar properties are available for sale in nearby area in the range of Rs 12,500 to Rs 14,000 per Square Yard depending upon various attributes such as size, shape, location, frontage, frontage to depth ration, marketability, demand & supply of similar properties in the said locality.
- (ii)
  - (a) In the year of issuance, valuation of preference shares was carried out by independent valuer using NPV of projected cash flows based on discounted cash flow method, wherein NPV of the preference shares measured based on security available, statement of credit rating of instruments, trading in stock exchange, etc. The estimated fair value of RPS is Rs 67.98 Lakhs as on allotment date i.e. 4th July 2019 considering repayment period of 20 years and market interest rate of 14.20%.
  - (b) Rate of return considered 14.20% which includes risk free return of 7.20% based on 20 years bond rate and Risk premium of 7.00%. Risk premium has been considered due to the reasons like lack of liquidity due to unquoted instruments, declining operations since March 2019, customer concentration Risk, other business risk as per credit rating which has also downgraded.

**II. Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

**i. Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the President of the Group.

More than 60 % of the Group's customers have been transacting with the Group for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Group has taken the credit insurance policy for its domestic customers to mitigate the financial loss in case default in payment. Risk on export customers is covered through the ECGC Ltd.

The gross carrying amount of trade receivables is Rs.2387.78 Lakhs (31 March 2021 – Rs.3008.37 Lakhs ).

**Reconciliation of loss allowance provision – Trade receivables**

<b>Particulars</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
Opening balance	229.85	498.96
Changes in loss allowance	(41.93)	(269.11)
<b>Closing balance</b>	<b>187.92</b>	<b>229.85</b>

**iii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. In addition, the Group's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount 31st March, 2022	Contractual undiscounted cash flows			
		On demand	Less than 1 Year	1-5 Years	More than 5 years
Financial Liabilities					
Non-current Borrowings	1,411.28	-	429.00	982.28	-
Redeemable Preference shares	100.46	-	-	-	1,165.00
Current Borrowings	1,910.52	1,174.74	735.78	-	-
Trade payables	863.35	-	863.35	-	-
Other current financial liabilities	68.44	-	68.44	-	-
Lease Liability - Current	46.16	-	24.41	21.75	
Total Financial liabilities	4,400.21	1,174.74	2,120.98	1,004.03	1,165.00

Particulars	Carrying Amount 31st March, 2021	Contractual undiscounted cash flows			
		On demand	Less than 1 Year	1-5 Years	More than 5 years
Financial Liabilities					
Non-current Borrowings	1,958.95	-	522.53	1,436.42	-
Redeemable Preference shares	87.18	-	-	-	1,165.00
Current Borrowings	2,867.09	2,134.29	732.80	-	-
Trade payables	1,280.36	-	1,280.36	-	-
Other current financial liabilities	57.55	-	57.55	-	-
Lease Liability - Current	68.82	-	24.63	44.19	
<b>Total Financial liabilities</b>	<b>6,319.95</b>	<b>2,134.29</b>	<b>2,617.86</b>	<b>1,480.61</b>	<b>1,165.00</b>

#### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### a. Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in Euro . Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. Currency risks related to the principal amounts of the Group's foreign currency payables, have been partially hedged using forward contracts taken by the Group, whenever necessary. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

**Exposure to currency risk**

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	USD	EUR	USD	EUR
Receivables	5.51	0.05	4.74	0.03
Payables	12.92	-	9.97	-
Net statement of financial position exposure	<b>(7.41)</b>	<b>0.05</b>	<b>(5.23)</b>	<b>0.03</b>

The following significant exchange rates have been applied

Particulars	Year end spot rates	
	31 March 2022	31 March 2021
USD 1	75.81	73.50
EUR 1	84.66	86.10

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Rs. against USD at reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Impact on Profit or loss		impact on Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2022				
USD (10% movement)	56.18	(56.18)	40.55	(40.55)
Euro (10% movement)	(0.46)	0.46	(0.33)	0.33
31st March 2021				
USD (10% movement)	38.44	(38.44)	27.75	(27.75)
Euro (10% movement)	(0.28)	0.28	(0.20)	0.20

**Interest rate risk**

The Group is exposed to interest rate risk on financial liabilities such as borrowings, both Non-current and Current. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

<b>Particulars</b>	<b>Nominal Amount</b>	
	<b>31st March, 2022</b>	<b>31st March, 2021</b>
<b>Fixed-rate instruments</b>		
Borrowings	381.84	858.75
<b>Variable-rate instruments</b>		
Borrowings	3,040.41	4,054.47

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<b>Particulars</b>	<b>Impact on Profit or loss</b>		<b>Impact on Equity, net of tax</b>	
	<b>50 bp Decrease</b>	<b>50 bp Increase"</b>	<b>50 bp Decrease</b>	<b>50 bp Increase</b>
<b>31st March 2022</b>				
Variable-rate instruments	15.20	(15.20)	10.97	(10.97)
<b>Cash flow sensitivity</b>	<b>15.20</b>	<b>(15.20)</b>	<b>10.97</b>	<b>(10.97)</b>
<b>31st March 2021</b>				
Variable-rate instruments	20.27	(20.27)	14.63	(14.63)
<b>Cash flow sensitivity</b>	<b>20.27</b>	<b>(20.27)</b>	<b>14.63</b>	<b>(14.63)</b>

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**39 Geographical information**

The Empty Capsules segment is managed on a worldwide basis, but manufacturing facilities and sales offices are primarily in India. The geographic information analyses, the Group's revenue and non-current assets by the Group's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

<b>Particulars</b>	<b>2021-22</b>			<b>2020-21</b>		
	<b>Within India</b>	<b>Outside India</b>	<b>Total</b>	<b>Within India</b>	<b>Outside India</b>	<b>Total</b>
<b>Revenue from Operations</b>	8,517.91	3,398.49	11,916.41	6,939.33	2,089.86	9,029.19

All non current assets except trade receivables are located in India.

**Major Customer**

Two major customers has individually contributed more than 10% of the revenue from operation of the Group.



#### 40 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**The following table summarises the capital of the Group:**

Particulars	31st March, 2022	31st March, 2021
Equity Share Capital (Note-14)	1,025.48	1,025.48
Other Equity (Note-15)	3,970.01	3,346.25
<b>Total Equity</b>	<b>4,995.49</b>	<b>4,371.73</b>
Non-Current Borrowings (Note-16)	1,511.74	2,046.13
Current Borrowings (Note-19)	2,339.52	3,389.62
<b>Total Debts</b>	<b>3,851.26</b>	<b>5,435.75</b>
<b>Total Equity and Debts</b>	<b>8,846.74</b>	<b>9,807.47</b>
<b>Gearing Ratio</b>	<b>0.44</b>	<b>0.55</b>

- 41 Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	As at 31st March 2022	As at 31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting years.		
- Principal amount due to micro and small enterprises	210.53	97.29
- Interest due on above	2.78	3.75
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	6.52	3.75
The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	6.52	3.75

**42 Group information**

Information about subsidiaries

S. No.	Name	Principal Activities	Country of Incorporation	% Equity Interest	
				As at 31 March 2022	As at 31 March 2021
1	Sunil Healthcare Mexico SA.De. CV.	Trading of Capsules	Mexico	99.97%	99.97%
2	Sunil Healthcare North America LLC	Trading of Capsules	USA	100.00%	100.00%

**43** The Group incurred Rs. 16.51 lakhs (31ST March 2021-Rs. 18.49 lakhs) for the year ended March 31, 2022 towards expenses relating to short-term leases.

**44 Movement of Liabilities covered under Financing Activities as per IND AS - 7 is as follows:**

Particulars	Non Current Borrowings	Current Borrowings	Lease Liability	Interest
<b>Balance as on 31st March 2020</b>	1,699.16	3,232.27	13.30	90.95
Cash Flow movement	339.79	(365.18)	(16.91)	(599.40)
Non Cash movement				
- Interest Expense	-	-	-	530.85
- Acquisition of lease	-	-	72.43	-
- Unwinding charges on preference shares	11.52	-	-	(11.52)
- Others	(4.35)	-	-	-
<b>Balance as on 31st March 2021</b>	<b>2,046.13</b>	<b>2,867.09</b>	<b>68.82</b>	<b>10.88</b>
Cash Flow movement	(549.78)	(953.75)	(22.66)	(329.78)
Non Cash movement				
- Interest Expense	-	-	-	348.88
- Acquisition of lease	-	-	-	-
- Unwinding charges on preference shares	13.28	-	-	(13.28)
- Others	2.11	(2.82)	-	-
<b>Balance as on 31st March 2022</b>	<b>1,511.74</b>	<b>1,910.52</b>	<b>46.16</b>	<b>16.70</b>

**45 Statutory Group Information**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income		
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	
Parent									
Sunil Healthcare Limited									
Balance as at 31 March, 2022	-5831%	5,478.97	106%	677.68	101.0%	(5.97)	108%	671.71	
Balance as at 31 March, 2021	-5446%	4,807.26	-43%	27.53	-6%	1.98	-34%	29.51	
Foreign Subsidiary									
Sunil Healthcare Mexico SA.De. CV.									
Balance as at 31 March, 2022	100%	(93.96)	0%	0.13	100.0%	(5.91)	-1%	(5.78)	
Balance as at 31 March, 2021	100%	(88.27)	126%	(80.40)	100%	(32.11)	128%	(112.51)	
Sunil Healthcare North America LLC									
Balance as at 31 March, 2022	214%	(200.69)	-1%	(6.71)	108.6%	(6.42)	-2%	(13.13)	
Balance as at 31 March, 2021	242%	(213.53)	1%	(0.86)	-18%	5.84	-6%	4.98	
Eliminations/Consolidation Adjustments									
Balance as at 31 March, 2022	201%	(188.83)	-5%	(29.04)	0.0%	(0.00)	-5%	(29.04)	
Balance as at 31 March, 2021	151%	(133.73)	16%	(10.06)	0%	(0.00)	11%	(10.07)	
Total	Balance as at 31 March, 2022	-5317%	4,995.49	100%	642.06	310%	(18.30)	100%	623.76
	Balance as at 31 March, 2021	-4953%	4,371.73	100%	(63.79)	76%	(24.29)	100%	(88.09)

**46** Balances of certain trade receivables, advances and trade payables are in the process of confirmation and/or reconciliation. The management does not expect any material change in the carrying value of these assets and liabilities.

**47 Capital Work in Progress Aging:**

Aging for Capital work-in-progress as at March 31, 2022 is as follows:

**Capital work-in-progress**

Amount in Capital Work in progress for a period of				Amount in Lacs
Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
174.36	-	-	0.70	175.06

Aging for Capital work-in-progress as at March 31, 2021 is as follows:

**Capital work-in-progress**

Amount in Capital Work in progress for a period of				Amount in Lacs
Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
-	-	-	0.69	0.69

\*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

- 48** The Group has no transactions and/or outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as identified to the extent of struck off companies details available on the public domain.
- 49** The Company has Complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the companies (Restriction on number of layers) Rules, 2017
- 50** Previous year's figures have been regrouped/ recasted wherever necessary to confirm to the current year's Classification.

The accompanying Grouping notes are an integral part of these consolidated financial statements

**As per our report attached of even date**

**For JKVS & Co.**  
Chartered Accountants  
Firm Reg. No. 318086E

**Sajal Goyal**  
Partner  
M. No. 523903

**For and on behalf of Board of Directors**

**Anil Khaitan**  
Chairman Cum Managing Director  
DIN No. 00759951

**Santosh Kumar Sharma**  
Company Secretary  
M. No. F6817

**Harish Pal Kumar**  
Director  
DIN No. 01826010

**Pawan Rathi**  
Chief Financial Officer

Place : New Delhi  
Date : 06th May, 2022

*if undelivered, return to :-*

## **SUNIL HEALTHCARE LIMITED**

**(A WHO-GMP Certified Company)**

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