



Date: 05/12/2017

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

**Scrip code: 537253 (BSE)**


**Subject: Investor Presentation of Q2 and H1 of FY 2017-18**

Dear Sir/Madam,

With reference to the above mentioned subject, Please find enclosed the Investor Presentation of Q2 and H1 of FY 2017-18 of the Company for your reference and record.

Thanking you,

For Sunil Healthcare Ltd.,

  
(Pawan Rathi)

CFO

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

**Sunil Healthcare Limited**

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

T: +91 11 49435555/00 F: +91 11 43850087 e-mail: [info@sunilhealthcare.com](mailto:info@sunilhealthcare.com) Web.: [www.sunilhealthcare.com](http://www.sunilhealthcare.com)

CIN No. L24302DL1973PLC189662



**Investor Presentation – December 2017**

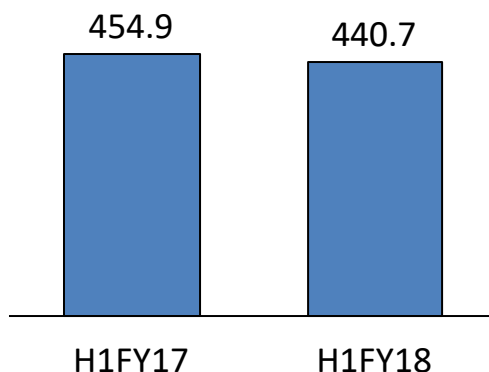
*This presentation and the accompanying slides (the “**Presentation**”), which have been prepared by*



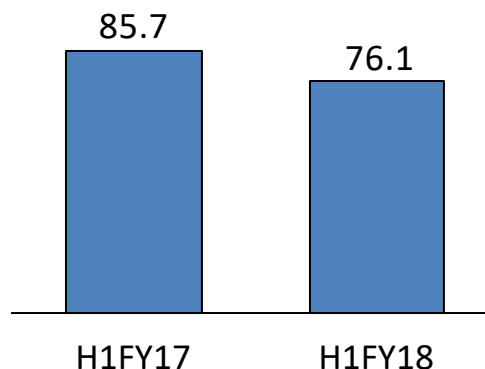
# H1FY18 Performance Highlights

*Rs. Mn.*

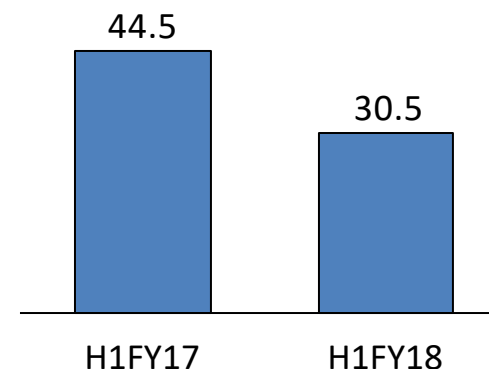
## Net Revenue\*



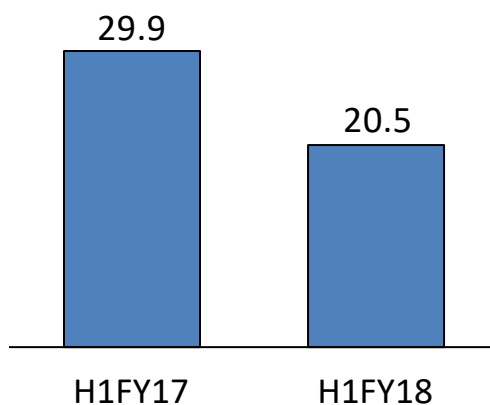
## EBITDA



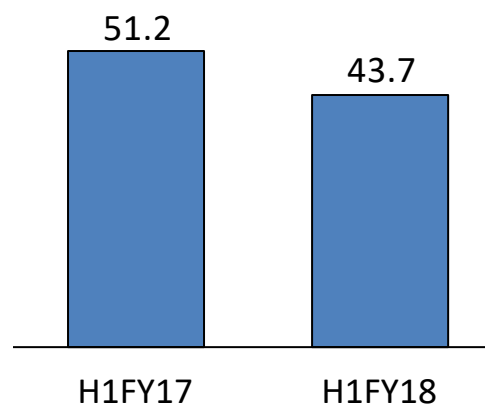
## Profit Before Tax



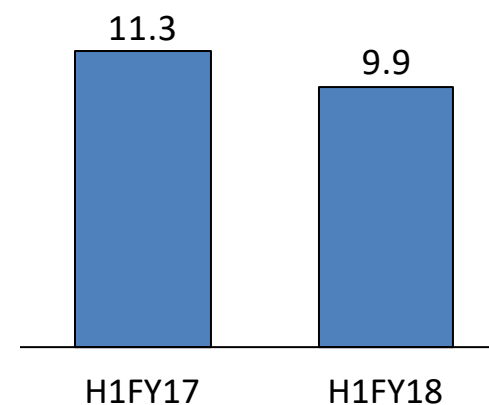
## Profit After Tax



## Cash PAT



## Cash PAT Margin %



\* Net Revenue = Gross Revenue – Excise Duty

Financials are as per IndAS



# H1/Q2FY18 – Income Statement as per IndAS

| Rs. Million                      | Q2FY18       | Q2FY17       | YoY %         | H1FY18       | H1FY17       | YoY %         |
|----------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|
| <b>Net Revenue*</b>              | <b>237.3</b> | <b>243.5</b> | <b>-2.5%</b>  | <b>440.7</b> | <b>454.9</b> | <b>-3.1%</b>  |
| <i>Capsule</i>                   | 194.9        | 205.1        |               | 398.3        | 416.5        |               |
| <i>Marketing of Food Product</i> | 42.4         | 38.4         |               | 42.4         | 38.4         |               |
| Raw Material                     | 111.3        | 113.7        |               | 183.4        | 206.6        |               |
| Employee Cost                    | 29.5         | 25.1         |               | 58.1         | 50.0         |               |
| Other Expenses                   | 65.0         | 62.1         |               | 128.1        | 116.2        |               |
| Other Income                     | 1.9          | 1.8          |               | 5.0          | 3.6          |               |
| <b>EBITDA</b>                    | <b>33.4</b>  | <b>44.4</b>  | <b>-24.8%</b> | <b>76.1</b>  | <b>85.7</b>  | <b>-11.2%</b> |
| <b>EBITDA Margin</b>             | <b>14.1%</b> | <b>18.2%</b> |               | <b>17.3%</b> | <b>18.8%</b> |               |
| Interest                         | 10.2         | 10.0         |               | 22.4         | 19.9         |               |
| Depreciation                     | 11.7         | 10.9         |               | 23.2         | 21.3         |               |
| <b>PBT</b>                       | <b>11.5</b>  | <b>23.5</b>  | <b>-51.1%</b> | <b>30.5</b>  | <b>44.5</b>  | <b>-31.4%</b> |
| Tax                              | 3.6          | 6.6          |               | 10.0         | 14.6         |               |
| <b>PAT</b>                       | <b>7.9</b>   | <b>16.9</b>  | <b>-53.3%</b> | <b>20.5</b>  | <b>29.9</b>  | <b>-31.5%</b> |
| <b>PAT Margin</b>                | <b>3.3%</b>  | <b>6.9%</b>  |               | <b>4.7%</b>  | <b>6.6%</b>  |               |
| <b>Cash PAT</b>                  | <b>19.6</b>  | <b>27.8</b>  | <b>-29.5%</b> | <b>43.7</b>  | <b>51.2</b>  | <b>-14.7%</b> |
| <b>Cash PAT Margin</b>           | <b>8.3%</b>  | <b>11.4%</b> |               | <b>9.9%</b>  | <b>11.3%</b> |               |

\* Net Revenue = Gross Revenue – Excise Duty



# Balance Sheet as per IndAS

| Rs. Million                | Sept -2017     |
|----------------------------|----------------|
| <b>Assets</b>              |                |
| <b>Non current Assets</b>  | <b>633.6</b>   |
| Fixed Assets               |                |
| Property Plant & Equipment | 572.1          |
| Capital WIP                | 34.8           |
| Other Intangible Assets    | 3.1            |
| Financial Assets           |                |
| Investments                | 0.5            |
| Loans                      | 6.7            |
| Other Non current Assets   | 16.4           |
| <b>Current Assets</b>      | <b>665.6</b>   |
| Inventories                | 125.1          |
| Financial Assets           |                |
| Investments                | 0.1            |
| Trade Receivables          | 437.4          |
| Cash & cash equivalents    | 17.1           |
| Other Bank Balances        | 42.3           |
| Other Financial Assets     | 2.8            |
| Current Tax Assets         | 0.9            |
| Other Current Assets       | 39.9           |
| <b>Total Assets</b>        | <b>1,299.2</b> |

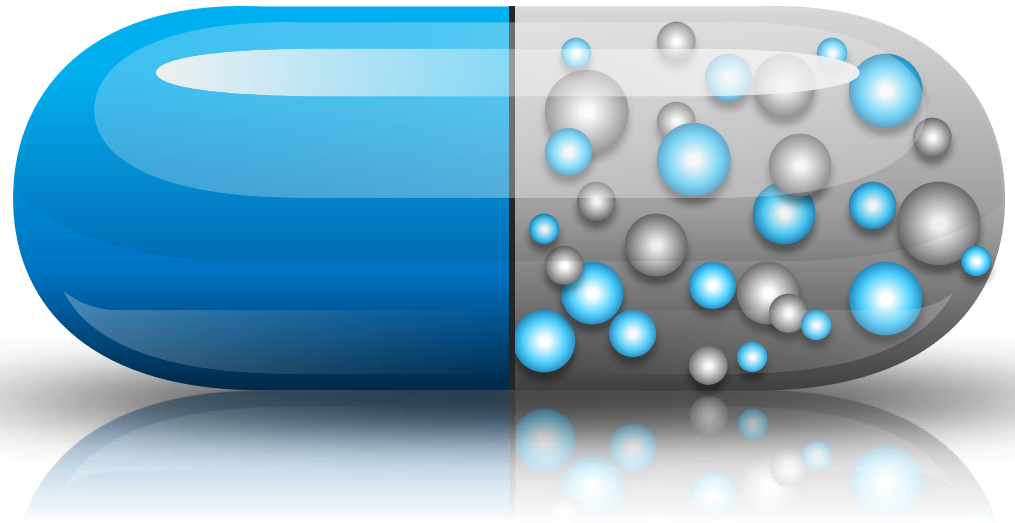
| Rs. Million                           | Sept -2017     |
|---------------------------------------|----------------|
| <b>Equity &amp; Liabilities</b>       |                |
| <b>Equity</b>                         | <b>454.7</b>   |
| Share Capital                         | 102.5          |
| Other Equity                          | 352.2          |
| <b>Non Current Liabilities</b>        | <b>220.9</b>   |
| Financial Liabilities – Borrowings    | 143.3          |
| Provisions                            | 17.9           |
| Deferred Tax Liabilities (Net)        | 59.7           |
| <b>Current Liabilities</b>            | <b>623.6</b>   |
| Financial Liabilities                 |                |
| Borrowings                            | 335.4          |
| Trade Payables                        | 184.3          |
| Other Financial Liabilities           | 51.6           |
| Other Current Liabilities             | 46.2           |
| Provisions                            | 4.8            |
| Current Tax Liabilities (Net)         | 1.3            |
| <b>Total Equity &amp; Liabilities</b> | <b>1,299.2</b> |



# Balance Sheet as per I-GAAP

| Rs. Million                           | Mar -2017      | Sept-2016    | Mar-2016     |
|---------------------------------------|----------------|--------------|--------------|
| <b>Shareholders Fund</b>              | <b>371.6</b>   | <b>343.0</b> | <b>310.6</b> |
| Share Capital                         | 102.5          | 102.5        | 102.5        |
| Reserves & Surplus                    | 269.1          | 240.5        | 208.1        |
| <b>Total Non Current Liabilities</b>  | <b>181.7</b>   | <b>188.9</b> | <b>131.9</b> |
| Long Term Borrowings                  | 128.2          | 142.4        | 91.6         |
| Deferred tax liabilities (net)        | 40.5           | 33.5         | 29.8         |
| Long term Provisions                  | 12.9           | 13.0         | 10.5         |
| <b>Total Current Liabilities</b>      | <b>564.0</b>   | <b>467.3</b> | <b>415.4</b> |
| Short Term Borrowings                 | 275.7          | 230.4        | 249.3        |
| Trade Payables                        | 195.9          | 155.4        | 104.0        |
| Short Term Provisions                 | 13.6           | 11.0         | 7.1          |
| Other Current Liabilities             | 78.8           | 70.5         | 55.0         |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>1,117.3</b> | <b>999.2</b> | <b>857.9</b> |
| <b>Total Non Current Assets</b>       | <b>502.5</b>   | <b>475.4</b> | <b>416.2</b> |
| Fixed Assets                          | 494.8          | 468.6        | 410.0        |
| Long Term loans & Advances            | 7.7            | 6.8          | 6.2          |
| <b>Total Current Assets</b>           | <b>614.8</b>   | <b>523.8</b> | <b>441.7</b> |
| Inventories                           | 105.0          | 101.1        | 131.6        |
| Trade Receivables                     | 414.5          | 348.5        | 241.4        |
| Cash & Cash Equivalents               | 52.1           | 51.6         | 41.0         |
| Short Term loans & Advances           | 23.0           | 12.4         | 15.2         |
| Other Current Assets                  | 20.2           | 10.2         | 12.5         |
| <b>TOTAL ASSETS</b>                   | <b>1,117.3</b> | <b>999.2</b> | <b>857.9</b> |






# Our Story









2<sup>nd</sup> Largest producer of Empty Hard Gelatin Capsules (EHGC) in India

Pioneer of Double Lock and Triple Lock Capsules in India



Global Presence with ~40% Exports Revenue  
Recognized as a “STAR EXPORT HOUSE” by GoI

Preferred Vendor for Large Pharmaceutical Companies



Forayed into the Food Business and markets its products under the brand “Sunloc Foods”



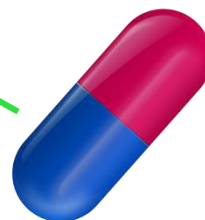
# Our Journey

- 2013 – Entered Foods Business with Sunloc foods.
- State of the Art HVAC System
- Focusing on “Quality Assurance and Automation”

2010-15



2003



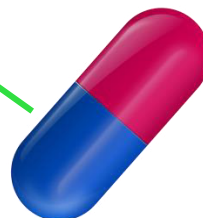
- Renewed interest in the business with an aim to become top 3 manufacturers of capsules in India
- Focus on increasing export revenues

1990's



- Slow – Steady business in the EHGC division

1980's



- Entered into API manufacturing with production of Methyldopa
- Exited API business by late 80's

1976



- Established Commercial Operations under Sunil Synchem Limited



## ***Mr. Anil Khaitan - Promoter and Chairman cum Managing Director***



- Mr. Anil Khaitan is an MBA from IMD, Geneva, 1981
- Over 37 years of wide experience in Industries ranging from Steel, Copper, Paper, Jute, Wires, Foods, Pharmaceutical and Retail
- Chairman - CSR PANEL CII DELHI and President at PHD Chamber of Commerce
- Member of World President Organisation (WPO) Delhi Chapter and AIMA
- Board member of Indian Council of Competitiveness

## ***Mr. Ishan Khaitan - President (Ops. & Marketing)***

- Bachelor of Science (Industrial Engineering) from University of Illinois at Urbana Champaign
- Member of the “Alpha Pi Mu” and “Phi Kappa Phi” professional fraternities
- Served on the board of Institute for Industrial Engineers.

## ***Mr. Kahaan Khaitan - Sr. VP (Procurement)***

- Graduated from Babson in “Business Administration”
- Actively involved in the Business since June 2013 and is responsible for helping the Company in deriving efficiencies in their Operations

## ***Mr. D Gnanasekaran - Chief Executive Officer***











- Graduate in Production Engineering, Post Graduate in Engineering Design & MBA in Marketing
- 34 years of experience in varied Industries. Member of Institute Engineers India and a Chartered Engineer

## ***Mr. Pawan Rathi – Chief Financial Officer***

- Member of The Institute of Chartered Accountants of India with 15 years of experience in varied financial space
- Responsible for the Banking & Financing Activities



# Core Competencies to lead GROWTH

-  **01** Huge Industry Potential
-  **02** Wide Product Range
-  **03** Unique Product Offering
-  **04** State of Art Manufacturing Facility
-  **05** Quality Focus
-  **06** Regulatory Certifications
-  **07** Global Presence
-  **08** Marque Clientele
-  **09** Brownfield Expansion
-  **10** Economies of Scale



# 01 | Huge Industry Potential

- Pharma exports were pegged at US\$ 15 bn with a CAGR of 15% over the last 5 years

- Indian Pharma market is expected to grow at a CAGR of 13.6% - US\$ 50 bn in 2020

- In India, manufacturing cost is competitive as compared to the Western countries. Cost of innovation is 5th or 7th of Europe / U.S

- India is the largest exporter of Pharma formulations in the world by volume of 14% market share and 12th in terms of export value

- Capsule Industry globally is expected to grow at a CAGR of 7% from 2014 to 2019, Asia Pacific to grow at a CAGR of 12-13%.

- Installed capacity of EHG Capsules in India is ~100 bn p.a.

- 70% of the healthcare infrastructure is confined to the top 20 cities of India



## 02 Wide Product Range



**TSE Free**



**Preservative Free**



**Stick Free**



**SLS Free**



**Liquid Filled**



**Pearl Finished**



**Flavoured**



**EHG Capsule**



**HPMC Capsule**



**Natural Colour**



**Non-AZO Capsule**

- We offer all range of capsules and have abilities to customise products
- Capsules can be transparent, coloured (same or different), partially opaque or completely opaque
- Sizes Available - 00, OSEL, OEL, 0, 1, 2, 3, 4, 5
- HPMC Capsules – Latest Launch



### Product

Product Range caters to Pharma & Food  
Supplement Industry



Triple Lock Capsule



### Innovation

Pioneers in Double Lock, Triple Lock  
Capsules and Multi Groove Capsules

### Customize

Strengths and Appearance can be modified as  
per client requirement

### Suitability

Suitable for filling on high speed machines  
with capacities upto 3,00,000 caps/hr

### Printing

Linear, Circular & 360 degree. Two colour  
printing offered in single/ double colour with  
orientation







- WHO-GMP certified facility
- Zero Discharge with fully automated 'ETP'
- Latest Generation PLC controlled high-speed automatic machines
- State of Art HVAC system from Kruger, Trane, Carrier, Zeco
- Experienced Six Sigma Qualified team
- 22 automatic production lines
- Capacity expansion completed taking total Capacity to 11 billion capsules p.a.





## 05 Quality Focus



### Internationally Accepted Measures

- ✓ TPAM, 5S, Jishu Hozen across production lines
- ✓ Six Sigma, for process control and product 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 material
- Automatic Inspection Machines for Automated Visual Inspection





**WHO-GMP**

**ISO-14001:2004**

**ISO-22000:2005  
/9001:2008**

**NSF**

**US FDA-DMF TYPE-IV**

**TGA  
AUSTRALIA**

**Health Canada**

**GDP**

**GLP**

**Halal-JAKIM  
Malaysia**

**OHSAS 18001:2007**



# Certifications – Raw Material (Gelatin)

**HALAL**

**KOSHER**

**Aflatoxin**

**Gluten  
Free**

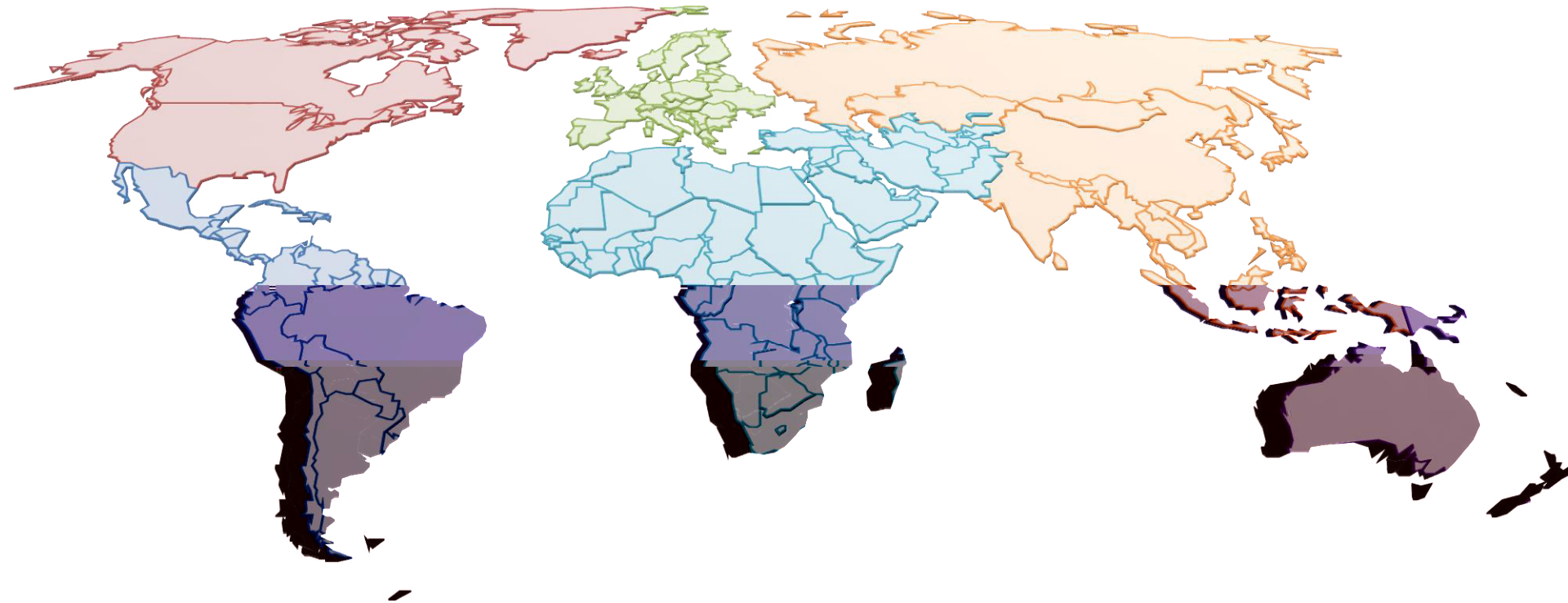
**EDQM**

**Veterinary**

**BSE/TSE  
FREE**



***Presence in Over 30 Countries across the Globe***



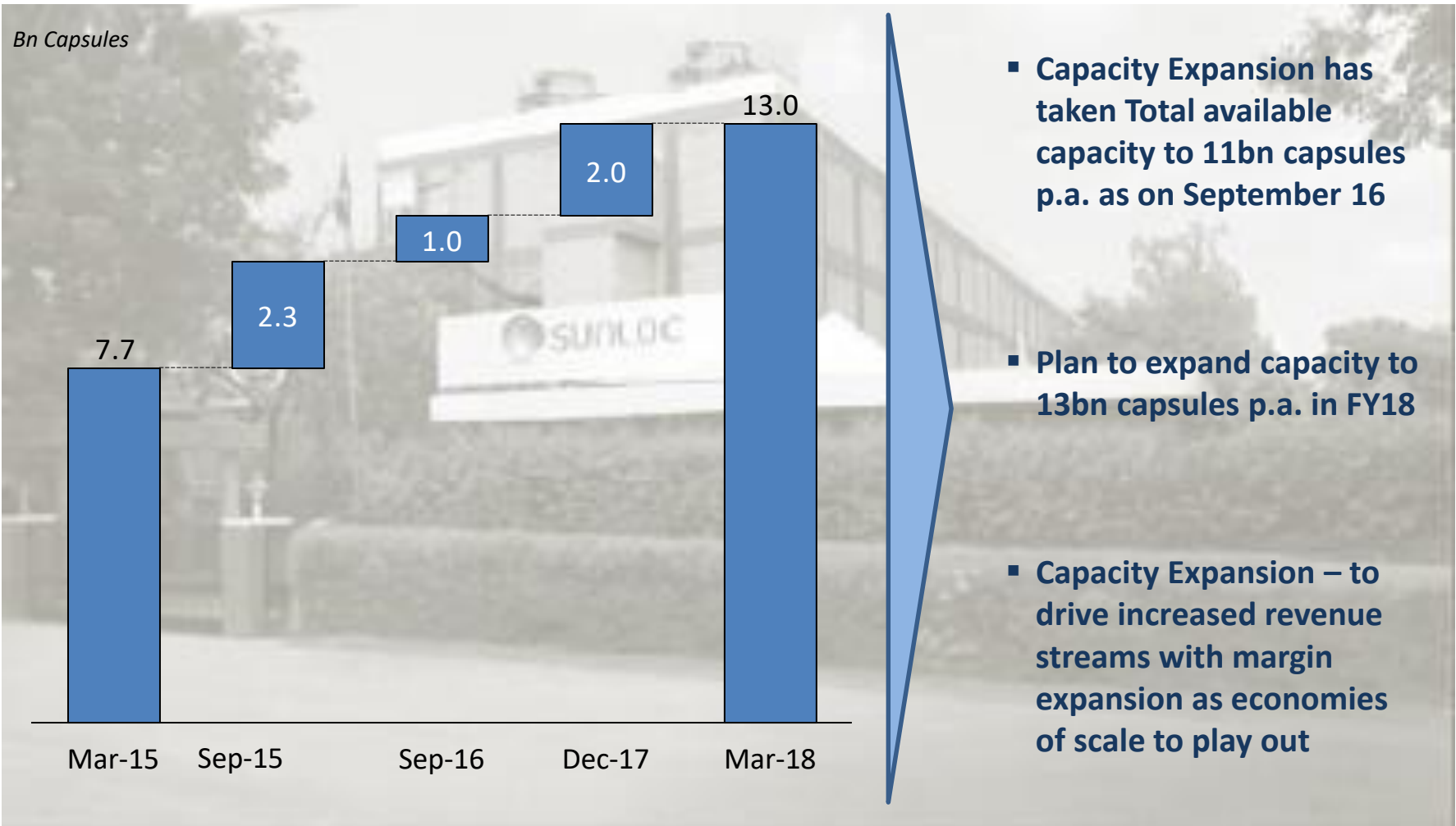
***Recognized Star Export House***



**Wyeth**

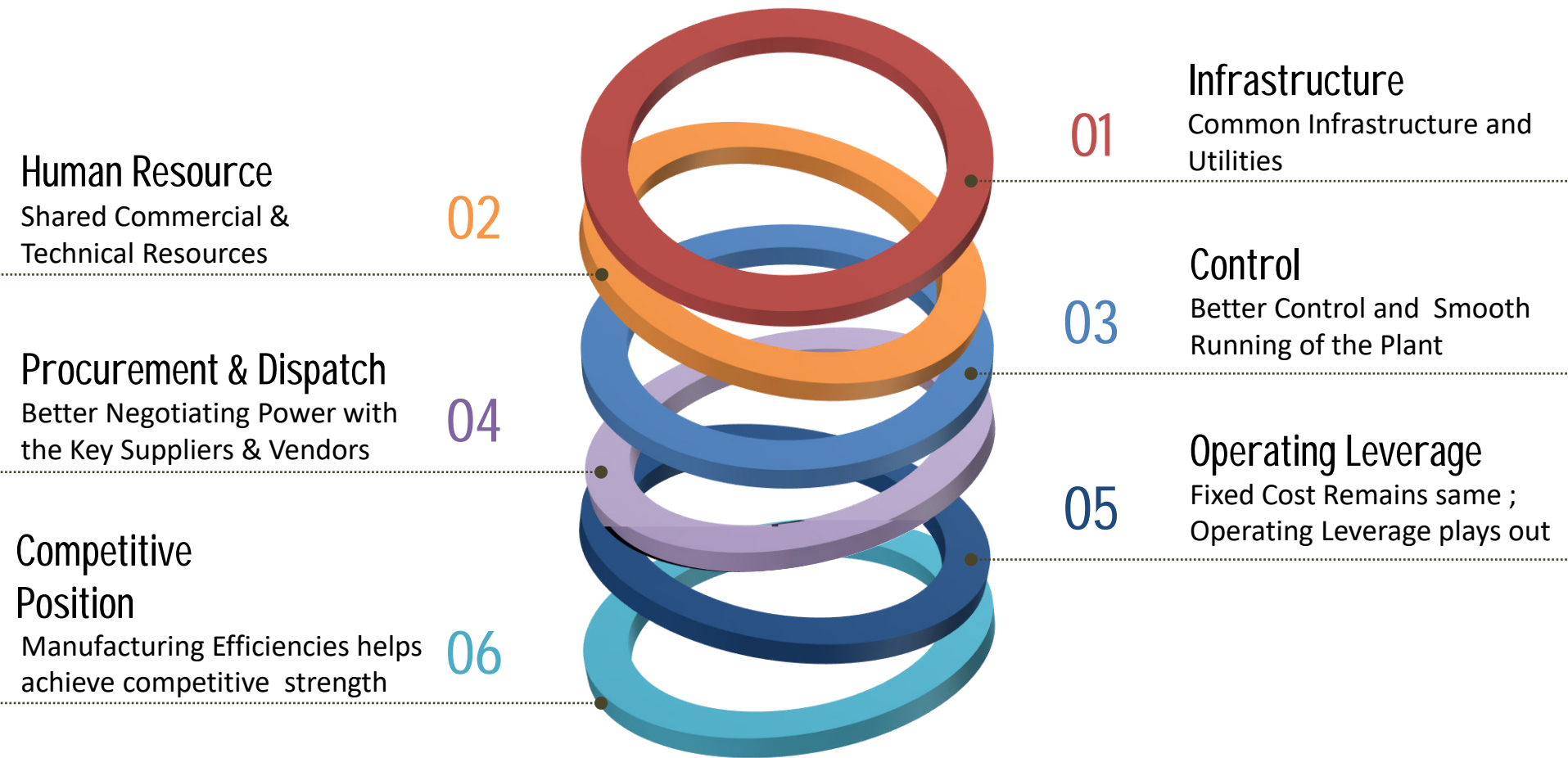


# 09 Brownfield Capacity Expansion Completed





11 billion p.a Capsules Capacity at a Single Location at Alwar, Rajasthan



SAP Implemented Organization

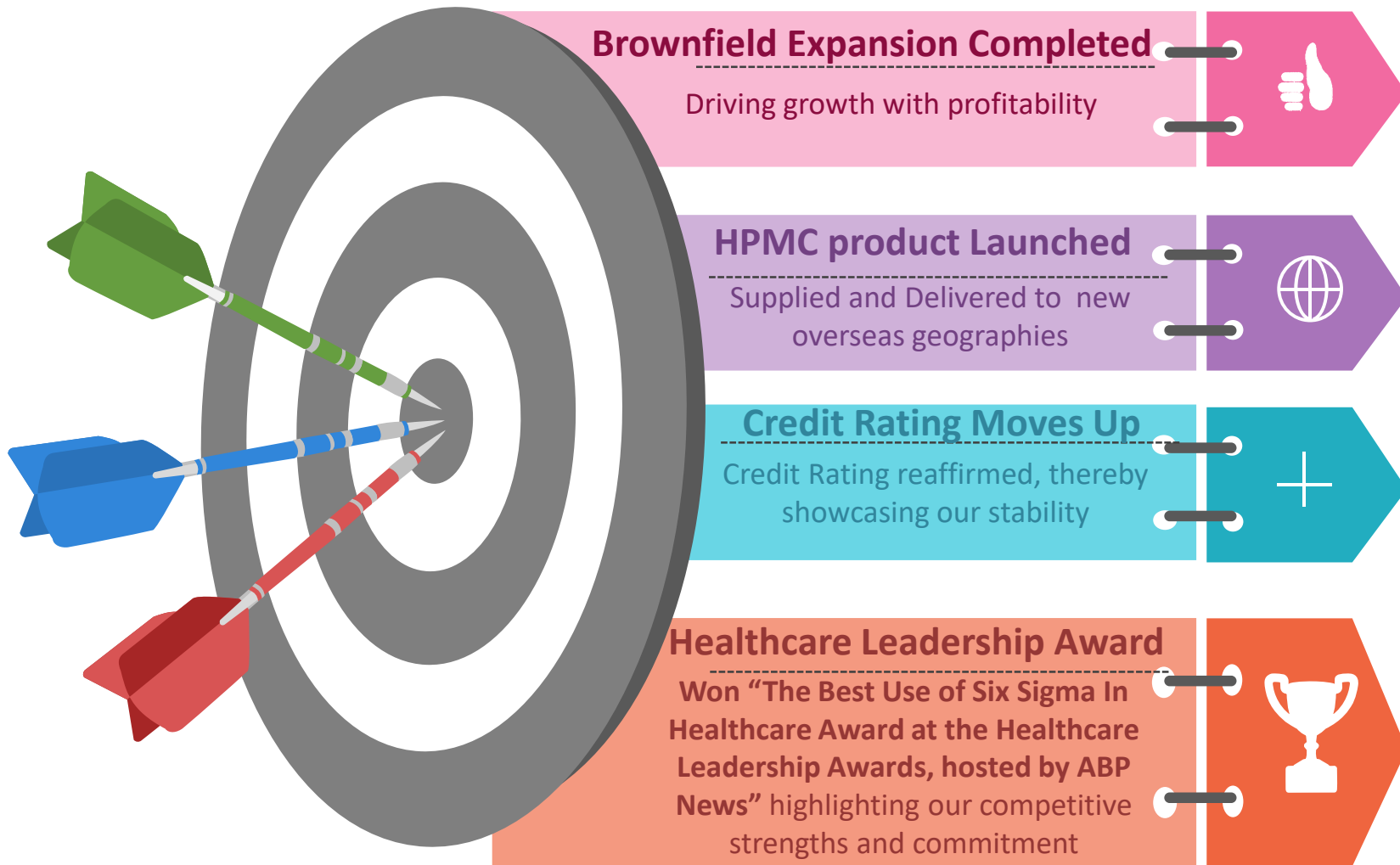




- Division started in 2013
- Engaged in marketing of Nuts, mainly Cashews
- Building Capabilities in Supply Chain
- 18% Revenue Contribution in FY17
- Awarded **“Top Most Exporter”** under **Cashew nut & allied products** from **The Cashew Export Promotion Council of India**







# Business Excellence Awards



## Healthcare Leadership Award – Six Sigma

Won “The Best Use of Six Sigma In Healthcare Award at the Healthcare Leadership Awards, hosted by ABP News November 2015”



## Business Excellence Award 2015

Received the prestigious “Business Excellence Award 2015 for Excellence in Manufacturing, Research & Distribution for Empty Hard Gelatine Capsules” at “Indian Pharma Expo”, October 2015



*In Rs.*

1,036 Mn

**\*Total Income - FY17**

177 Mn

**EBITDA – FY17**

61 Mn

**PAT - FY17**

21.8% ↑

**\*Total Income  
5 Years CAGR**

21.6% ↑

**EBITDA  
5 Years CAGR**

44.5% ↑

**PAT  
5 Years CAGR**

# Annual Income Statement as per I-GAAP

| Rs. Million          | FY17         | FY16         | FY15         | FY14         | FY13         |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Total Income*        | 1,036        | 829          | 734          | 622          | 470          |
| Raw Material         | 517          | 353          | 319          | 214          | 141          |
| Employee Cost        | 109          | 94           | 86           | 71           | 62           |
| Other Expenses       | 233          | 225          | 204          | 220          | 186          |
| EBITDA               | 177          | 157          | 125          | 117          | 81           |
| <b>EBITDA Margin</b> | <b>17.1%</b> | <b>18.9%</b> | <b>17.0%</b> | <b>18.8%</b> | <b>17.2%</b> |
| Interest             | 42           | 38           | 23           | 25           | 26           |
| Depreciation         | 43           | 38           | 40           | 41           | 38           |
| Exceptional Item     | 0            | 0            | 0            | 0            | 6            |
| PBT                  | 92           | 80           | 62           | 51           | 22           |
| Tax                  | 31           | 28           | 22           | 18           | 7            |
| PAT                  | 61           | 52           | 40           | 33           | 14           |
| <b>PAT Margin</b>    | <b>5.6%</b>  | <b>6.4%</b>  | <b>5.5%</b>  | <b>5.3%</b>  | <b>3.1%</b>  |



# Balance Sheet as per I-GAAP

| Rs. Million                           | FY17         | FY16       | FY15       | FY14       | FY13       |
|---------------------------------------|--------------|------------|------------|------------|------------|
| <b>Shareholders Fund</b>              | <b>372</b>   | <b>311</b> | <b>258</b> | <b>231</b> | <b>198</b> |
| Share Capital                         | 102          | 102        | 102        | 102        | 102        |
| Reserves & Surplus                    | 270          | 208        | 156        | 129        | 96         |
| <b>Total Non Current Liabilities</b>  | <b>181</b>   | <b>132</b> | <b>82</b>  | <b>66</b>  | <b>73</b>  |
| Long Term Borrowings                  | 128          | 92         | 57         | 38         | 43         |
| Other Long Term Liabilities           | 53           | 40         | 25         | 28         | 30         |
| <b>Total Current Liabilities</b>      | <b>564</b>   | <b>415</b> | <b>295</b> | <b>260</b> | <b>262</b> |
| Short Term Borrowings                 | 276          | 249        | 170        | 145        | 162        |
| Trade Payables                        | 196          | 104        | 70         | 63         | 57         |
| Other Current Liabilities             | 92           | 62         | 55         | 52         | 43         |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>1,117</b> | <b>858</b> | <b>635</b> | <b>557</b> | <b>533</b> |
| <b>Total Non Current Assets</b>       | <b>503</b>   | <b>416</b> | <b>302</b> | <b>279</b> | <b>292</b> |
| Fixed Assets                          | 495          | 410        | 281        | 273        | 287        |
| Long Term loans & Advances            | 8            | 6          | 21         | 6          | 5          |
| <b>Total Current Assets</b>           | <b>614</b>   | <b>442</b> | <b>333</b> | <b>278</b> | <b>241</b> |
| Inventories                           | 105          | 132        | 95         | 77         | 77         |
| Trade Receivables                     | 414          | 241        | 198        | 169        | 141        |
| Cash & Cash Equivalents               | 52           | 41         | 25         | 16         | 12         |
| Short Term loans & Advances           | 23           | 15         | 9          | 8          | 7          |
| Other Current Assets                  | 20           | 13         | 6          | 8          | 4          |
| <b>TOTAL ASSETS</b>                   | <b>1,117</b> | <b>858</b> | <b>635</b> | <b>557</b> | <b>533</b> |



For further information, please contact:

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**Company :**

Sunil Healthcare Ltd.  
CIN - L24302DL1973PLC189662  
Mr. Pawan Rathi, Chief Financial  
Officer  
[cfo@sunilhealthcare.com](mailto:cfo@sunilhealthcare.com)

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

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**Investor Relations Advisors :**

Strategic Growth Advisors Pvt. Ltd.  
CIN - U74140MH2010PTC204285  
Mr. Shogun Jain / Mr. Pratik R. Shah  
[shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net) / [pratik.shah@sgapl.net](mailto:pratik.shah@sgapl.net)  
+91 77383 77756 / +91 9769260769

[www.sgapl.net](http://www.sgapl.net)

