

38th
ANNUAL REPORT
2013-2014

SUNIL INDUSTRIES LIMITED

CONTENTS

Sr. No.	Particulars	Page No.
1.	Corporate Information	1
2.	Notice	2
3.	Directors' Report	19
4.	Corporate Governance Report	24
5.	Management Discussion Report	32
6.	CEO/CFO Certification	34
7.	Affirmation of Code of Conduct	34
8.	Certificate on Corporate Governance by Practicing Company Secretary	35
9.	Compliance Certificate	36
10.	Auditors' Report	40
11.	Balance-Sheet	45
12.	Profit & Loss A/c	46
13.	Notes Forming Part of the Financial Statements	47
14.	Cash Flow Statement	65
15.	Attendance Slip	67
16.	Proxy Form	68
17.	Assent / Dissent Form	70

SUNIL INDUSTRIES LIMITED
(L99999MH1976PLC019331)

BOARD OF DIRECTORS :

Mr. Vinod Lath (DIN: 00064774)	: CHAIRMAN AND MANAGING DIRECTOR
Mr. Pradeep Roongta (DIN: 00130283)	: WHOLE-TIME DIRECTOR
Mr. Ramesh Khanna (DIN: 00130351)	: WHOLE-TIME DIRECTOR
Mr. Ravinder Kumar Gupta (DIN: 00464098)	: INDEPENDENT AND NON EXECUTIVE DIRECTOR
Mr. Rohit Gadia (DIN: 02175342)	: INDEPENDENT AND NON EXECUTIVE DIRECTOR
Mr. Iftadad Hossain (DIN: 03545889)	: INDEPENDENT AND NON EXECUTIVE DIRECTOR
(resigned on 23rd August, 2013)	
Mr. Mohd. Iqbal (DIN: 06908835)	: INDEPENDENT AND NON EXECUTIVE DIRECTOR
(appointed wef 13th August, 2014)	

REGISTERED OFFICE

: D-8, M.I.D.C., Phase II,
Manpada Road, Dombivli (E) - 421 203
Dist. Thane, Maharashtra

Manufacturing Units:**Spinning Unit:**

S.F.No. 324/1, Karungal Village,
K. Anapatti Post, Vedesandur Taluk,
Dist. Dindigul – 624 620

Weaving Unit:

Plot No. 60- B, Parvati Industrial Area,
Kondigre Road, Near Gangajal Water Tank,
Yadav, Ichalkaranji.

BANKERS:

Yes Bank Ltd

Processing Unit:

D-8, MIDC, Phase II, Manpada Road,
Dombivli (E) - 421 203, Dist. Thane

AUDITORS

M/s. V. K. Beswal & Associates
Chartered Accountants

SHARE TRANSFER AGENTS

Link Intime India Private Limited.
Add.: C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup, Mumbai – 400 078

SHARES LISTED AT:

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

Delhi Stock Exchange Limited
3-1 Asaf Ali Road, Chandni Chowk,
New Delhi – 110 002

The Ahmedabad Stock Exchange Limited
Kamdhenu Complex, Opp Sahajanand College,
Panjara Pole, Ahmedabad – 380 015

The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkatta – 700 001

38th ANNUAL GENERAL MEETING

Date : 27th September, 2014
Day : Saturday
Time : 12.00 Noon
Place : D-8, MIDC Phase II, Manpada Road, Dombivli (East), Dist – Thane, 421-203

NOTICE

NOTICE IS HEREBY GIVEN THAT THE **38TH ANNUAL GENERAL MEETING** OF MEMBERS OF **SUNIL INDUSTRIES LIMITED** WILL BE HELD ON SATURDAY THE **27TH SEPTEMBER, 2014** AT **12.00 NOON**. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT D-8, MIDC PHASE II, MANPADA ROAD, DOMBIVLI (EAST), DIST – THANE – 421 203 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, Statement of Profit & Loss & Cash Flow Statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint M/s V. K Beswal & Associates, Chartered Accountant (FRN 101083W) as Statutory Auditors of the Company and to fix their remuneration.

“**RESOLVED THAT** M/s V. K Beswal & Associates, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide firm registration no 101083W be and is hereby appointed as a Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of Forty First Annual General Meeting to be held in the year 2017 subject to ratification of their appointment at every Annual General Meeting to audit the accounts of the Company, including the audit of Cash Flow statements, on a remuneration plus service tax and out of pocket expenses to be mutually decided by the Board in consultation with the Statutory Auditors of the Company.”

SPECIAL BUSINESS:

3. To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an **Ordinary Resolution**

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”), the consent of the Company is hereby accorded for re-appointment of **Mr. Vinod Lath (holding DIN 00064774)** as Managing Director of the Company with effect from September 1, 2014 for a period of five (5) years on the terms and conditions as are set out in the agreement to be entered into between the Company and **Mr. Vinod Lath** with liberty to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration and Nomination Committee constituted by the Board) to alter and vary the terms of the said re-appointment and/or remuneration and/or agreement.

RESOLVED FURTHER THAT Mr. Vinod Lath shall be entitled receive such amount as remuneration, perquisites, as may be decided by the Board of Directors from time to time within the limits permissible under the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the performance of his duties as the Managing Director of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Managing Director by way of salary and perquisites shall not exceed the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to sign and file the necessary forms and Returns with the Registrar of Companies, Mumbai, and to take such other actions and to do all deeds and things to comply with all the formalities required to be fulfilled in connection with the re-appointment of Managing Director.”



4. To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an **Ordinary Resolution**

“RESOLVED THAT pursuant to provisions of Sections 196, 197,203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”), the consent of the Company is hereby accorded for re-appointment of Mr. Pradeep Roongta (holding DIN 00130283) as Whole-time Director of the Company with effect from September 1, 2014 for a period of five (5) years on the terms and conditions as are set out in the agreement to be entered into between the Company and Mr. Pradeep Roongta with liberty to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration and Nomination Committee constituted by the Board) to alter and vary the terms of the said re-appointment and/or remuneration and/or agreement.

RESOLVED FURTHER THAT Mr. Pradeep Roongta shall be entitled receive such amount as remuneration, perquisites, as may be decided by the Board of Directors from time to time within the limits permissible under the provisions of Sections 196, 197,203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the performance of his duties as the Whole-time Director of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Whole-time Director by way of salary and perquisites shall not exceed the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to sign and file the necessary forms and Returns with the Registrar of Companies, Mumbai, and to take such other actions and to do all deeds and things to comply with all the formalities required to be fulfilled in connection with the re-appointment of Whole-time Director.”

5. To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an **Ordinary Resolution**

“RESOLVED THAT pursuant to provisions of Sections 196, 197,203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”), the consent of the Company is hereby accorded for re-appointment of **Mr. Ramesh Khanna (holding DIN 00130351)** as Whole-time Director of the Company with effect from September 1, 2014 for a period of five (5) years on the terms and conditions as are set out in the agreement to be entered into between the Company and **Mr. Ramesh Khanna** with liberty to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration and Nomination Committee constituted by the Board) to alter and vary the terms of the said re-appointment and/or remuneration and/or agreement.

RESOLVED FURTHER THAT **Mr. Ramesh Khanna** shall be entitled receive such amount as remuneration, perquisites, as may be decided by the Board of Directors from time to time within the limits permissible under the provisions of Sections 196, 197,203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the performance of his duties as the Whole-time Director of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Whole-time Director by way of salary and perquisites shall not exceed the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to sign and file the necessary forms and Returns with the Registrar of Companies, Mumbai, and to take such other actions and to do all deeds and things to comply with all the formalities required to be fulfilled in connection with the re-appointment of Whole-time Director.”

6. To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Clause 49 of the Listing Agreement, **Mr. Ravinder Kumar Gupta (holding DIN 00464098)** Director of the Company who retires by rotation at the Annual general Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years for a term up to 31st March 2019.

7. To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Clause 49 of the Listing Agreement, Mr. Rohit Gadia (holding DIN 02175342) Director of the Company who retires by rotation at the Annual general Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years for a term up to 31st March 2019.

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

“RESOLVED THAT in supersession of the earlier resolutions passed and pursuant to the provisions of section 180 (1) (a) (corresponding to Section 293(1)(a) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; and subject to the approvals, consents, permissions and sanctions as may be necessary from the authorities concerned and subject to such terms and conditions as may be imposed by them, consent be and is hereby accorded to the Board of Directors of the Company, to lease or mortgage, charge or create any security, dispose of the whole or substantially the whole of the undertaking of the Company including moveable or immovable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/to be obtained for business purpose for an amount which shall not at any time exceed Rs. 100 Crores (Rupees Hundred Crores Only) for availing credit facilities from various Financial Institutions, Banks and / or Bodies Corporate for the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and/or alter the terms and conditions of the security aforesaid in consultation with the financial institutions/banks/other lenders and mortgages as may be necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to prepare, finalize and execute in favour of the said financial institution/banks/other lenders the documents, writing and such other agreements, as may be necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

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

“RESOLVED that in supersession of the earlier resolutions passed, the consent of the Company be and is hereby accorded in terms of Section 180 (1) (c) (corresponding to Section 293(1)(d) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the

monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 100 Crores (Rupees Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and are hereby severally authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

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

RESOLVED THAT pursuant to provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and any other applicable provisions, if any, the appointment of M/s Shanker Chaudhary & Co., Cost Accountants as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15 and remuneration of Rs. 1,25,000/- p.a plus service taxes as paid to them be and are hereby ratified.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** Mr. Mohd. Iqbal who was appointed as an Additional Director on 13th August, 2014 by the Board of Directors of the Company pursuant to Section 161 of the Companies Act, 2013 read with Companies (Appointment of Qualification of Directors) Rules, 2014 be and is hereby appointed as Director on the Board of the Company who shall hold office upto the date of the ensuing Annual General Meeting of the Company.

RESOLVED FURTHER THAT pursuant to provisions of Section 149(1), 150, 152, Schedule IV and all other applicable provisions of Companies Act, 2013, The Companies (Appointment and Qualification of Directors) Rules, 2014, Clause 49 of the Listing Agreement, and any other applicable law Mr. Mohd. Iqbal appointed as Independent Director for the time being in force for a period of five years commencing from 13th August, 2014 to 12th August, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to sign, execute, file and paper, document, deed or writing and to do all such acts, deeds and things as may be required for effecting aforementioned resolution including but not limiting to file and submit the necessary e-forms with Registrar of the Companies, Mumbai and also to inform other regulatory authority for such appointment being made by the Company as required.”

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013
(CORRESPONDING TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 3

Mr. Vinod Lath was appointed as Managing Director of the Company at the Thirty Fifth Annual General Meeting of the Company held September 30, 2011 pursuant to provisions of Section 198, 269, 309 and 310 and any other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 vide Special Resolution passed thereat for a period of three years from September 1, 2011 to August 31, 2014.

The Board at their meeting held on 14th August, 2014 based on the recommendation of the Nomination and Remuneration Committee approved re-appointment of Mr. Vinod Lath as Managing Director and CEO of the Company for a period of five years commencing from September 1, 2014 to August 31, 2019. The Board also approved terms and condition of appointment including remuneration as approved by Nomination and Remuneration Committee in accordance with provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force) subject to approval of Shareholders at the ensuing Annual General Meeting.

MAJOR TERMS OF REMUNERATION OF MR. VINOD LATH, MANAGING DIRECTOR:**I) TERMS & CONDITIONS:**

1. Name of Director	: Mr. Vinod Lath
2. Designation	: Managing Director
3. Date of Appointment	: Re-appointment w.e.f. 1st September, 2014
4. Period	: 5 (Five) years.
5. Salary (p.m)	: Rs. 2,50,000/- p.m. with power to Board to vary from time to time within the limits of Schedule V of the Companies Act.
6. Minimum Remuneration	: In the event of loss or inadequacy of profits in any financial year, the remuneration and perquisites payable to Mr. Vinod Lath shall not exceed the ceiling as laid down of Schedule V of the Companies Act, 2013.

II) Perquisites:

Mr. Vinod Lath as a Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) **Provident Fund:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.

- d) Holiday passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
 - e) Leave travel concession: Return passage for self and family in accordance with the rules specified by the Company to any destination in India.
 - f) Leave encashment: Encashment of leave at the end of the tenure. II) Salary and perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- III) The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
 - IV) The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
 - V) The terms and conditions of the said re-appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule V the Companies Act, 2013, or any amendment hereafter in that regard.

Mr. Vinod Lath satisfies all the conditions as set out in part I of Schedule V as also under sub-section 13 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Managing Director and CEO of the Company. He is not disqualified for being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment of Mr. Vinod Lath and CEO is in the Best Interest of the Company and accordingly, recommend the resolution as set in Item No. 3 for approval of the members.

Other than Mr. Vinod Lath and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO-4

Mr. Pradeep Roongta was appointed as Whole-time Director of the Company at the Thirty Fifth Annual General Meeting of the Company held September 30, 2011 pursuant to provisions of Section 198, 269, 309 and 310 and any other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 vide Special Resolution passed thereat for a period of three years from September 1, 2011 to August 31, 2014.

The Board at their meeting held on 14th August, 2014 based on the recommendation of the Nomination and Remuneration Committee approved re-appointment of Mr. Pradeep Roongta as Whole-time Director of the Company for a period of five years commencing from September 1, 2014 to August 31, 2019. The Board also approved terms and condition of appointment including remuneration as approved by Nomination and Remuneration Committee in accordance with provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force) subject to approval of Shareholders at the ensuing Annual General Meeting.

MAJOR TERMS OF REMUNERATION OF MR. PRADEEP ROONGTA, WHOLE-TIME DIRECTOR:**I) TERMS & CONDITIONS:**

1. Name of Director	: Mr. Pradeep Roongta
2. Designation	: Whole-time Director
3. Date of Appointment	: Re-appointment w.e.f. 1st September, 2014
4. Period	: 5 (Five) years.
5. Salary (p.m)	: Rs. 2,50,000/- p.m. with power to Board to vary from time to time within the limits of Schedule V of the Companies Act.
6. Minimum Remuneration	: In the event of loss or inadequacy of profits in any financial year, the remuneration and perquisites payable to Mr. Pradeep Roongta shall not exceed the ceiling as laid down of Schedule V of the Companies Act, 2013.

II) Perquisites:

Mr. Pradeep Roongta as a Whole-time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- g) **Provident Fund:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
 - h) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
 - i) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
 - j) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
 - k) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company to any destination in India.
 - l) **Leave encashment:** Encashment of leave at the end of the tenure.
- II) Salary and perquisites specified herein shall be payable to the Whole-time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- III) The Whole-time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- IV) The Whole-time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.

- V) The terms and conditions of the said re-appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule V the Companies Act, 2013, or any amendment hereafter in that regard.

Mr. Pradeep Roongta satisfies all the conditions as set out in part I of Schedule V as also under sub-section 13 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Whole-time Director and CFO of the Company. He is not disqualified for being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment of Mr. Pradeep Roongta as Whole-time Director and CFO is in the Best Interest of the Company and accordingly, recommend the resolution as set in Item No. 4 for approval of the members.

Other than Mr. Pradeep Roongta and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO – 5

Mr. Ramesh Khanna was appointed as Whole-time Director of the Company at the Thirty Fifth Annual General Meeting of the Company held September 30, 2011 pursuant to provisions of Section 198, 269, 309 and 310 and any other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 vide Special Resolution passed thereat for a period of three years from September 1, 2011 to August 31, 2014.

The Board at their meeting held on 14th August, 2014 based on the recommendation of the Nomination and Remuneration Committee approved re-appointment of Mr. Ramesh Khanna as Whole-time Director of the Company for a period of five years commencing from September 1, 2014 to August 31, 2019. The Board also approved terms and condition of appointment including remuneration as approved by Nomination and Remuneration Committee in accordance with provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force) subject to approval of Shareholders at the ensuing Annual General Meeting.

MAJOR TERMS OF REMUNERATION OF MR. Mr. Ramesh Khanna, WHOLE-TIME DIRECTOR:

I) TERMS & CONDITIONS:

1. Name of Director	: Mr. Ramesh Khanna
2. Designation	: Whole-time Director
3. Date of Appointment	: Re-appointment w.e.f. 1st September, 2014
4. Period	: 5 (Five) years.
5. Salary (p.m)	: Rs. 2,50,000/- p.m. with power to Board to vary from time to time within the limits of Schedule V of the Companies Act.
6. Minimum Remuneration	: In the event of loss or inadequacy of profits in any financial year, the remuneration and perquisites payable to Mr. Ramesh Khanna shall not exceed the ceiling as laid down of Schedule V of the Companies Act, 2013.

II) Perquisites:

Mr. Ramesh Khanna as a Whole-time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) **Provident Fund:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
 - c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
 - d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
 - e) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company to any destination in India.
 - f) **Leave encashment:** Encashment of leave at the end of the tenure.
- III) Salary and perquisites specified herein shall be payable to the Whole-time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- IV) The Whole-time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- V) The Whole-time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VI) The terms and conditions of the said re-appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule V the Companies Act, 2013, or any amendment hereafter in that regard.

Mr. Ramesh Khanna satisfies all the conditions as set out in part I of Schedule V as also under sub-section 13 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Whole-time Director of the Company. He is not disqualified for being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment of Mr. Ramesh Khanna as Whole-time Director is in the best Interest of the Company and accordingly, recommend the resolution as set in Item No. 5 for approval of the members.

Other than Mr. Mr. Ramesh Khanna and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr. Ravinder Kumar Gupta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in the year 2007. Mr. Ravinder Kumar Gupta is Chairperson of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Ravinder Kumar Gupta is an Commerce Graduate with over 35 years of experience in the field of Manufacturing, Finance & Administration.

Mr. Ravinder Kumar Gupta is a Director in one other Public Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Ravinder Kumar Gupta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Ravinder Kumar Gupta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing candidature of Mr. Ravinder Kumar Gupta Director of the Company.

In the opinion of the Board, Mr. Ravinder Kumar Gupta fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ravinder Kumar Gupta as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his Continued Association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ravinder Kumar Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ravinder Kumar Gupta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ravinder Kumar Gupta being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

Mr. Rohit Gadia is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in the year 2012. Mr. Rohit Gadia is member of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Rohit Gadia holds a degree in Masters in Finance (Investment Banking and Mergers & Acquisitions) from S P Jain - Centre of Management, Dubai-Singapore and holds graduation degree from Jain College, Bangalore. He also holds diploma degree in Information Technology from C-DAC and certification in Maximizing Your Leadership Program from Harvard Business School.

Mr. Rohit Gadia is a Director in one other Public Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Rohit Gadia retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Rohit Gadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing candidature of Mr. Rohit Gadia, Director of the Company.

In the opinion of the Board, Mr. Rohit Gadia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rohit Gadia as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his Continued Association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rohit Gadia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rohit Gadia as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rohit Gadia being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8 and 9

The Company proposes to raise term loans/ financial assistance in near future in view of the meeting its working capital needs. The borrowings of loans from the Banks / Financial Institutions will require the Company to create mortgage/charge on the whole or substantially the whole of the undertakings of the Company for the purpose of securing financial assistance.

Therefore, pursuant to the provisions of Section 180 of the Companies Act, 2013; shareholders' approval is required by way of special resolution in general meeting.

Section 180(1)(c) of the Companies Act, 2013 provides, inter-alia, that the Board of Directors of the Company shall not without the consent of shareholders in the General Meeting borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan obtained from the bankers of the Company in the ordinary course of business) exceeding the aggregate of paid-up capital and free reserves of the Company. It is expected that the ceiling may be exceeded after the acceptance of loans/ financial assistance and therefore, your Directors place before you the proposal to increase the maximum borrowing limits to Rs. 100 Crores (Rupees Hundred Crores) at any point of time for your approval.

Section 180(1)(a) of the Companies Act, 2013 provides, inter-alia, that the Board of Directors of the Company shall not, without the consent of shareholders in the General Meeting, sell, lease or create any security on the assets of the Company or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or if Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. Since the mortgage of the Company's immovable and movable properties may be regarded as disposal of Company's properties/undertakings, consent of the Members is being sought for the purpose.

The Board of Directors accordingly recommends the Resolutions set out at Item Nos. 8 and 9 of the accompanying Notice for the approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in aforementioned resolution(s).

Item No. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Rs. 1,25,000/- p.a to be paid to M/s Shanker Chaudhary & Co., Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2014 -15

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014 - 15.

The Board of Directors accordingly recommends the Resolutions set out at Item No. 10 of the accompanying Notice for the approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in aforementioned resolution.

Item No. 11

Mr. Mohd. Iqbal was appointed as an Additional Director by the Board of Directors with effect from 13th August, 2014.

By virtue of provisions of Section 161 of the Companies Act, 2013 read with Companies (Appointment of Qualification of Directors) Rules, 2014, he would hold office only up to the date of ensuing Annual General Meeting of the Company.

Similarly by virtue of Section 149(1), 150, 152, Schedule IV and all other applicable provisions of Companies Act, 2013, The Companies (Appointment and Qualification of Directors) Rules, 2014, Clause 49 of the Listing Agreement, and any other applicable law Mr. Mohd. Iqbal appointed as Independent Director for the time being in force for a period of five years commencing from 13th August, 2014 to 12th August, 2014.

The resolution for appointing him as an Independent Director of the Company is put forward to you to be passed as an **Ordinary Resolution**.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in aforementioned resolution.

On behalf of the Board
For SUNIL INDUSTRIES LIMITED

SD/-
VINOD LATH
CHAIRMAN

Date: 14th August, 2014
Place: Dombivli

Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
- 3) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

- 4) The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
- 5) Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
- 6) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Friday, September 19, 2014 to Saturday, September 27, 2014 (both days inclusive).
- 7) As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the Meeting.
- 8) In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agents.
- 9) Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
- 10) Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.
- 11) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.
- 12) In terms of section 205A Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to Investor Education and Protection Fund. Members who have not encashed their dividend warrants are requested to write to the Registrars and Share Transfer Agents. The details of dividend unclaimed are uploaded on the Company's website at www.sunilgroup.com for shareholders information.

- 13) Electronic copy of the Notice of the 38th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 38th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 14) Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.sunilgroup.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Dombivli for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: hns@sunilgroup.com
- 15) Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

In case of members receiving e-mail:

- (i) The voting period begins on 21st September, 2014 at 10.00 a.m and ends on 23rd September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Open e-mail
- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>For Members holding shares in Demat Form and Physical Form Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then reach directly the Company selection screen.

However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) To sl. no. (xix) Above to cast vote.

Other Instructions

- (A) The voting period begins on 21st September, 2014 at 10.00 a.m and ends on 23rd September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 8, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.CDSL.com
- (D) If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

- (E) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (F) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 8, 2014
- (G) Mr. Hemant Shetye, Partner of M/s HS Associates, Practicing Company Secretaries (Membership No. FCS 2827) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent Manner.
- (H) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company
- (I) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sunilgroup.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- (J) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Hemant Shetye, Partner of HS Associates, Practicing Company Secretaries, at the Registered Office of the Company not later than September 23, 2014 (6.00 pm IST)
- (K) Ballot Form received after this date will be treated invalid.
- (L) A member can opt only for one mode of voting i.e either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- 1) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 6.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
 - 2) The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company had decided to send Annual Report through electronic mode.

DIRECTORS' REPORT TO THE SHAREHOLDERS

To,
The Members,
SUNIL INDUSTRIES LIMITED
Mumbai

Your Directors have great pleasure in presenting **38TH ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account for the year ended on **31st March, 2014**

1. FINANCIAL RESULTS:

The Financial Results are briefly indicated below: (Amt in Rs.)

Particulars	For the year ended on	
	31st March, 2014	31st March, 2013
Total Income	127,33,67,533	113,53,82,009
Total Expenditure	125,16,26,810	111,81,82,911
Net Profit/(Loss) before Tax	2,17,40,723	1,71,99,098
Provision for Tax	75,07,001	59,12,190
Net Profit/(Loss) after Tax	1,42,33,722	1,12,86,908
Profit/(Loss) b/f previous year	2,33,99,113	1,21,12,205
Balance c/f to Balance Sheet	3,76,32,834	2,33,99,113

2. FINANCIAL OPERATIONS

During the year ended 31st March, 2014, your Company reported total Income of Rs. 127,33,67,533/- in comparison to Rs. 113,53,82,009/- in previous year resulting to an increase of 12.15%. The Net Profit after tax Increased to Rs. 1,42,33,722/- as compared to Rs. 1,12,86,908/- in previous year marking a increase of 26.11% due to increase in demand of product.

3. DIVIDEND

In order to conserve the reserves, your Company do not recommend dividend for the financial year 2013-14.

4. DEPOSITS

The company has not accepted any deposits from the Public in terms of provisions of Section 58A, 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 and applicable provisions of Companies Act, 2013. Therefore the provisions of said section/ rules are not applicable to the Company during the financial year.

5. PARTICULARS OF EMPLOYEES:

There were no employees who were in receipt of the remuneration in excess of the limits as set out in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

6. DIRECTORS:

Mr. Iftadad Hossain resigned from the office of Directorship with effect from 23rd August, 2014. Your Directors place their appreciation for the work done by him during his tenure.

The Board of Directors at their meeting held on 14th August, 2014 approved re-appointment of Mr. Vinod Lath as Managing Director and CEO, Mr. Pradeep Roongta as Whole-time Director and CFO and Mr. Ramesh Khanna as Whole-time Director subject to approval of Shareholders at ensuing Annual General Meeting of your Company for a further period of five years commencing from September 1, 2014 to August 31, 2019.

Mr. Ravinder Kumar Gupta and Mr. Rohit Gadia, Independent Director(s) of the Company were liable to retire by rotation in this Annual General Meeting. However pursuant to provisions of Section 149, Section 150, Section 152 read with Schedule IV of the Companies Act, 2013 Mr. Ravinder Kumar Gupta and Mr. Rohit Gadia are appointed as Independent Director(s) for the period of five consecutive years from 1st April, 2014 to 31st March, 2019. The resolution for their appointment is put forward for your approval.

Likewise Mr. Mohd. Iqbal was appointed as an Additional Director with effect from 13th August, 2014 pursuant to provisions of Section 161 of the Companies Act, 2013. He shall hold office only up to the date of ensuing Annual General Meeting. Pursuant to provisions of Section 149, Section 150, Section 152 read with Schedule IV of the Companies Act, 2013 he is also appointed as an Independent Director for the period of five consecutive years from 13th August, 2014 to 12th August, 2019. The resolution for his appointment is put forward for your approval.

The Company has received notice in writing from member along with requisite fee proposing candidature of Mr. Ravinder Kumar Gupta, Mr. Rohit Gadia and Mr. Mohd. Iqbal as Independent Directors of the Company. Your Directors recommend their appointment.

7. SUBSIDIARIES:

Since the Company has no subsidiaries, the provision of Section 212 of the Companies Act, 1956 is not applicable.

8. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirms:

- a. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- c. That the Directors have taken proper and sufficient care for the maintenances 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.
- d. That the Directors have prepared the Annual accounts on a going concern basis.

9. CORPORATE GOVERNANCE:

The Board had implemented various provisions of Corporate Governance in pursuance of Clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from **M/s HS Associates, Company Secretaries**, on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

10. LISTING:

The Company's shares are listed on Bombay Stock Exchange, Ahmedabad Stock Exchange, Calcutta Stock Exchange and the Delhi Stock Exchange. The Company is in process of filing application for voluntary delisting with Ahmedabad, Calcutta and Delhi Stock Exchange.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

Information giving the particulars relating to conservation of energy, technology absorption & foreign exchange earnings & outgo, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 is attached as Annexure I.

12. AUDITORS:

M/s. V. K. Beswal & Associates., Chartered Accountants, Mumbai bearing ICAI Firm Registration No as 030426 are proposed to be appointed as Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the Forty First Annual General Meeting of the Company held thereafter, subject to ratification of the appointment by the members at every Annual General Meeting held after the ensuing Annual General Meeting.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from **M/s. V. K. Beswal & Associates**, to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

13. COST AUDITOR

M/s Shanker Chaudhary & Co, Cost Accountant are appointed as Cost Accountants in compliance of Section 148(1) read with Section 139 of the Companies Act, 2013 to audit Cost records maintained by the Company for the financial year ended March 31, 2015. The resolution for ratification of remuneration paid to them is put forward for your approval in compliance of Section 148 read with Companies (Audit and Auditors) Rules, 2014.

14. AUDITORS REPORT:

Since notes to the account are self explanatory, no further explanation is given by the Board as such.

15. INTERNAL AUDITORS

The company has appointed Sushil Budhia Associates, Chartered Accountants, Mumbai, as internal auditor of the company for financial year 2014-15.

16. SECRETARIAL AUDITOR

The Company has appointed M/s HS Associates as Secretarial Auditor of the Company to carry out the Secretarial Audit for the Financial Year 2014 -2015 and to issue Secretarial Audit Report as per the prescribed format under rules in terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

17. COMMITTEES OF THE BOARD

Pursuant to provisions of section 292 (A) of Companies Act, 1956 and clause 49 of listing agreement, the Board has formed Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee in compliance with listing agreement.

18. CORPORATE GOVERNANCE REPORT

Corporate Governance Report prepared by M/s HS Associates, Company Secretaries, is annexed hereto.

19. COMPLIANCE CERTIFICATE

The Company has obtained Compliance Certificate pursuant to provisions of Section 383A of Companies Act, 1956 from M/s HS Associates, Company Secretaries and is annexed hereto.

20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is annexed hereto forming part of this report.

21. OTHER DISCLOSURES

The company does not have any Employees Stock Option Scheme in force and hence particulars are not furnished, as the same are not applicable.

By virtue of the revocation of suspension on trading of Equity Shares of the Company by Bombay Stock Exchange, the shares of the Company are freely tradable.

22. ACKNOWLEDGEMENTS:

Your Company wishes to sincerely thank all the customers, commercial banks, financial institution, creditors etc. for their continuing support and co-operation.

Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company and sincerely thanks the all shareholders for the confidence reposed by them in the company and for the continued support and co-operation extended by them.

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

SD/-
VINOD LATH
CHAIRMAN

Date: August 14, 2014

Place: Dombivli

ANNEXURE - I

Form A: Disclosure of particulars with respect to Conservation of Energy.

	31/03/2014	31/03/2013
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (in lakhs) (in kwh)	23.96	23.71
Amount in Rupees (in lakhs)	162.71	166.57
Rate per Unit (in Rupees)	6.79	7.02
B. CONSUMPTION PER UNIT OF PRODUCTION		
Fabrics (kwh/meter)	0.14	0.10

FORM B: Disclosure of particulars with respect to Technology Absorption:

Research and Development (R & D)	31.03.14	31.03.13
- Expenditure on R & D	Nil	Nil

TECHNOLOGY ABSORPTION & ADAPTATION AND INNOVATION

- a) Efforts in brief, made towards technology absorption, adaptation and innovation

The Company during the year has installed new plant and machinery which are in line with the current market technology by replacing the existing machinery which were of outdated technology.

- b) Benefit derived as a result of the above efforts

It has helped the company increase its production capacity and has resulted in decreasing the cost of utilities due to the technology deployed.

- c) In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

The Company has not imported any foreign technology since last 5 years

FOREIGN EXCHANGE EARNINGS AND OUTGO

	31/03/2014	31/03/2013
Foreign Exchange Earnings:		
(FOB value of Exports)	0	0
Foreign Exchange outgo:		
CIF Value of Stores Imported	5.96	17.65
Foreign travel	4.50	0.70

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

The Corporate Governance code as introduced by Security and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement is became applicable to the company by March, 2003. The same has been implemented by the Company.

The Company believes in maximum utilization of resources at minimum cost and attaining maximum long-term shareholders value.

BOARD OF DIRECTORS:

The Board of the Company comprises of 5 (Five) Directors as on March 31, 2014 out of which 1 (One) is Managing Director, 2 (Two) are Whole Time Director and 2 (Two) are Independent Non-Executive Directors of the Company. There is no nominee or Institutional Directors in the Company. Mr. Iftadad Hossain an Independent Director of the Company resigned on 23rd August, 2013 during the financial year. The Company has inducted Mr. Mohd. Iqbal an Independent Director as per Clause 49 of the Listing Agreement with effect from 13th August, 2014

None of Directors has pecuniary or Business relationship with the Company other than as mentioned elsewhere in Annual Report. No Director of the Company is either member in more than 10 (Ten) committees and/or Chairman of more than 5 (Five) committees across all Companies in which he is Director.

During the year, there were in total 6 (Six) Board Meetings were held. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes. The dates on which the Board Meeting was held are as follows:

30th May, 2013 ; 8th June, 2013 ; 14th August, 2013, 14th November, 2013, 25th January, 2014 and 14th February, 2014

The following table gives the attendance of the Directors at Board Meetings of the Company and also other Directorship other than the Company and Chairmanship/Membership in Board Committees of public limited companies:

Sr. No.	Name of Director	Category	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorship in other Public Companies	No. of Other Committee membership in other Companies
1	Mr. Vinod Lath	Chairman & Managing Director	6	Yes	Nil	Nil
2	Mr. Pradeep Roongta	Whole Time Director	6	Yes	Nil	Nil
3	Mr. Ramesh Khanna	Whole Time Director	6	Yes	Nil	Nil
4.	Mr. Ravinder Gupta	Independent and Non Executive Directors	6	Yes	1	Nil
5.	Mr. Rohit Gadia	Independent and Non Executive Directors	6	Yes	1	Nil
6.	Mr. Iftadad Hossain resigned on (23rd August, 2013)	Independent and Non Executive Director	3	Yes	1	Nil

A brief Resume of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 VI (IA) of the Listing Agreement is given hereunder:

A) Appointment of Mr. Vinod Lath as Managing Director for a period of 5 years:

a) Name of Director:	: Mr. Vinod Lath
b) Age:	: 65 years
c) Quali cations	: B.com
c) Expertise in functional areas	: Marketing, Finance & Administration
d) Directorships in other Indian public limited companies & other rms as on 31st March, 2014	: Nil

B) Appointment of Mr. Pradeep Roongta as Whole-time Director for a period of 5 years:

a) Name of Director:	: Mr. Pradeep Roongta
b) Age:	: 51 years
c) Quali cations	: B.com
c) Expertise in functional areas	: Production & Administration
d) Directorships in other Indian public limited companies & other rms as on 31st March, 2014	: Nil

C) Appointment of Mr. Ramesh Khanna as Whole-time Director for a period of 5 years:

a) Name of Director:	: Mr. Ramesh Khanna
b) Age:	: 63 years
c) Quali cations	: B.com, LLB, MBA
c) Expertise in functional areas	: Sales & Marketing
d) Directorships in other Indian public limited companies & other rms as on 31st March, 2014	: Nil

D) Appointment of Mr. Ravinder Kumar Gupta as Independent Director of the Company.

a) Name of Director:	: Mr. Ravinder Kumar Gupta
b) Age:	: 56 years
c) Quali cations	: Graduate
c) Expertise in functional areas	: Finance & Administration
d) Directorships in other Indian public limited companies & other rms as on 31st March, 2014	: Apple Sponge & Power Limited

E) Appointment of Mr. Rohit Gadia as Independent Director of the Company.

a) Name of Director:	: Mr. Rohit Gadia
b) Age:	: 30 years
c) Quali cations	: MBA (Pursuing Ph. D)
c) Expertise in functional areas	: People. Process. Technology.
d) Directorships in other Indian public limited companies & other rms as on 31st March, 2014	: Capitalvia Global Research Ltd.

(F) Appointment of Mr. Mohd. Iqbal as Independent Director of the Company.

a) Name of Director:	: Mr. Mohd Iqbal
b) Age:	: 39 years
c) Quali cations	: Graduate
c) Expertise in functional areas	: Textiles and Garmenting
d) Directorships in other Indian public limited companies & other rms as on 31st March, 2014	: Nil

COMMITTEES OF THE BOARD:**A. Audit Committee**

Pursuant to the provisions of section 292(A) of the Companies Act, 1956 & Clause 49 II of Listing Agreement, an Audit Committee comprising of 3 Non -Executive Directors was constituted. However pursuant to resignation of Mr. Iftadad Hossain, the Audit Committee was reconstituted comprising of 2 Non-Executive Director and an Executive Director. The composition of the Remuneration Committee as on 31st March, 2014 as follows:

Mr. Ravinder Kumar Gupta	Chairman
Mr. Rohit Gadia	Member
Mr. Iftadad Hossain (resigned on 23rd August, 2014)	Member
Mr. Pradeep Roongta (inducted as member w.e.f 14th November, 2013)	Member

During the year, there were in total 6 (Six) Audit Committee Meetings were held on 30th May, 2013 ; 8th June, 2013 ; 14th August, 2013, 14th November, 2013, 25th January, 2014 and 14th February, 2014

The following table gives the attendance of the members at Audit Committee Meetings of the Board of Directors of the Company during the nancial year ended March 31, 2013:

Name of the Member	Status	No. of Meeting(s) held (after appointment)	No. of Meetings attended
Mr. Ravinder Kumar Gupta	Chairman	6	6
Mr. Rohit Gadia	Member	6	6
Mr. Iftadad Hossain (resigned on 23rd August, 2013)	Member	3	3
Mr. Pradeep Roongta (inducted as member w.e.f 14th November, 2013)	Member	3	3

B. Remuneration Committee

The Remuneration Committee comprising of 3 (Three) Members, all of whom being Non-Executive Directors and the Chairman of the Remuneration Committee being an Independent, Non-Executive Director was constituted. However pursuant to resignation of Mr. Iftadad Hossain, the Remuneration Committee was left with two Non-Executive Independent Director. The composition of the Remuneration Committee as on 31st March, 2014 as follows:

Mr. Ravinder Kumar Gupta	Chairman
Mr. Rohit Gadia	Member
Mr. Iftadad Hossain (resigned on 23rd August, 2014)	Member

However during the financial year ended March 31, 2014, No meeting of the members of Remuneration Committee was held.

C. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee comprising of 3 (Three) Members, all of whom being Non-Executive Directors and the Chairman of the Remuneration Committee being an Independent, Non-Executive Director was constituted. However pursuant to resignation of Mr. Iftadad Hossain, the Shareholders/Investors Grievance Committee was reconstituted comprising of 2 Non-Executive Director and an Executive Director, the Chairman being a Non-Executive Director. The composition of the Shareholders/Investors Grievance Committee as on 31st March, 2014 as follows:

Mr. Ravinder Kumar Gupta	Chairman
Mr. Rohit Gadia	Member
Mr. Iftadad Hossain (resigned on 23rd August, 2014)	Member
Mr. Ramesh Khanna (inducted as member w.e.f 14th November, 2013)	Member

During the year, there were in total **4 (Four)** Shareholders/Investors Grievance Committee Meetings were held on **30th May, 2013; 14th August, 2013, 14th November, 2013 and 14th February, 2014**

The following table gives the attendance of the members at Shareholders/Investors Grievance Committee Meetings of the Board of Directors of the Company:

Name of the Member	Status	No. of Meeting(s) held (after appointment)	No. of Meetings attended
Mr. Ravinder Kumar Gupta	Chairman	4	4
Mr. Rohit Gadia	Member	4	4
Mr. Iftadad Hossain (resigned on 23rd August, 2013)	Member	2	2
Mr. Ramesh Khanna (inducted as member w.e.f 14th November, 2013)	Member	2	2

GENERAL BODY MEETINGS:

Details of last 3 (Three) Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2010-2011	30.09.2011	11.00 A.M	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 203.	3 (Three)
2011-2012	29.09.2012	11.00 A.M	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 203.	3 (Three)
2012-13	30.09.2013	12.30 P.M	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 201.0	(Nil)

No special resolutions were put through postal ballot as all the above special resolutions were voted unanimously by show of hands.

DISCLOSURES:

During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

MEANS OF COMMUNICATION:

The yearly/quarterly results were duly approved by the Board of Directors of the Company and the same has been submitted to BSE. The Company has its website named as www.sunilgroup.com

No presentation was made during the year either to Institutional Investors or to the analysts.

Management Discussion & Analysis Report is attached herewith forming part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION:

i. The Annual General Meeting is scheduled to be held on Saturday, the **27th September, 2014 at 12.00 Noon** at the Regd. Office of the Company.

ii. The Financial year of the company is from April to March. The financial calendar is as per following.

First quarter results (30th June)	By Mid August
Annual General Meeting	27th September, 2014
Second quarter results (30th September)	By Mid November
Third quarter results (31st December)	By Mid February
Fourth quarter / Annual Results	By End of May

iii. Book Closure dates are from Friday the 19th September, 2014 to Saturday the 27th September, 2014 (both days inclusive).

iv. The Board of Directors has not proposed any dividend for the current financial year.

v. The company's shares are listed at Bombay, Ahmedabad, Delhi and Calcutta Stock Exchanges out of which Bombay Stock Exchange is a Regional Stock Exchange. The Company is in process of getting its securities voluntary delisted with Ahmedabad, Calcutta and Delhi Stock Exchange.

vi. The Stock Exchange, Bombay
 Security in physical Form no. BSE- 521232
 ISIN No. INE124M01015
 Scrip Name: SUNIL INDUSTRIES LIMITED.

The Stock Exchange, Delhi;
 Security in physical form no. DSE - 7819;
 ISIN No. INE124M01015
 Scrip Name - Sunil Industries Limited

The Stock Exchange, Calcutta;
 Security in physical form no. CSE - 29100;
 ISIN No. INE124M01015
 Scrip Name - SUNIL INDUSTRIES LIMITED

The Stock Exchange, Ahmedabad.
 Security in Physical Form No. ASE- 57764
 ISIN No. INE124M01015
 Scrip Name: SUNIL INDUSTRIES LIMITED.

vii. Market price data:

The Stock Market Price for the period August 2013 to the end of March 2014 at BSE is given hereunder

Stock Market Price data for the year 2013-14 at BSE –

Month	BSE		
	High	Low	Volume of shares traded (Nos)
June 2012	50	45.14	1200
August 2013	38.80	18.95	2100
September 2013	18.60	14.30	1800
October 2013	14.05	10.50	7300
November 2013	10.30	8.56	4000
December 2013	10.00	8.05	22200
January 2014	11.00	9.70	7900
February 2014	12.75	11.50	5800
March 2014	12.75	12.75	200

viii. Share Transfer System

The share transfer of securities in physical form are registered, duly transferred and dispatched within 15 days of the receipt, if the transfer documents are in order. The share transfers are approved every fifteen days. The shares in de-materialized form are processed and transferred within 15 days from receipt of dematerialization requests.

Address of Registrars and Share Transfer Agent.

Link Intime India Private Limited.
 Add.: C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup, Mumbai – 400 078

ix. Distribution of Shareholding as on 31st March, 2014.

Share holding of Rs.	Nominal Value of Rs.	Shareholders No.	% of Total	Share Amt. Rs.	% of Total
1	500	6468	95.34	810400	19.30
501	1000	155	2.28	131300	3.12
1,001	2000	54	0.80	84100	2.00
2,001	3000	20	0.29	51600	1.22
3,001	4000	10	0.15	35500	0.85
4,001	5000	20	0.29	96000	2.29
5,001	10000	18	0.27	148500	3.54
Above 10000		39	0.58	2842600	67.68
TOTAL		6784	100	42000000	100

X. Dematerialization of securities

As on 31st March, 2014, **50.24%** of the Company's total shares representing **21,10,000** shares were held in de-materialized form and the balance **49.76%** representing **20,90,000** shares in paper form. The details are given below

Type	No. of Shares Held	% Shareholding
De-materialized shares		
With N.S.D.L	1085800	25.85%
With C.D.S.L	1024200	24.39%
Total demat shares	2110000	50.24%
Physical shares	2090000	49.76%
TOTAL	4200000	100.00%

xi. Company has not issued either ESOP or any GDRs/ADRs/Warrants/Convertible instrument.

xxi. The Company's Plant is located as under.

Spinning Unit:

S. F. Mo. 324/1, Karungal Village,
K. Anapatti Post, Vedasandur Taluk,
Dist. Dindigul – 624 620

Weaving Unit:

Plot No. 60-B, Parvati Industrial Area,
Kondigre Road, Near Gangajal Water Tank, Yadrav,
Ichalkaranji

Processing Unit:

D-8, MIDC, PHASE II,
Manpada Road, Dombivli (E),
Dist. Thane

xiii. Address for correspondence:

Shareholders of the company can send correspondence at company's share & Transfer Agent's Office or the Regd. office of the company situated at following address:

D-8, MIDC, PHASE II,
MANPADAROAD, DOMBIVLI (E),
DIST. THANE

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange in flows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

b) SEGMENTWISE PERFORMANCE:

The company has only one segment i.e. Manufacturing of Textile Fabrics, therefore the requirement of Segment wise reporting is not applicable to the Company.

c) OPPORTUNITIES / OUTLOOK:

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand. The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe.

MMF production recorded an increase of about 4 per cent during the period 2013–2014.

Cotton yarn production increased by about 10 per cent during 2013–2014.

Blended and 100 per cent non-cotton yarn production increased by by 8 per cent during the period 2013–2014.

Cloth production by mill sector registered a growth of 6 per cent during 2013–2014.

Cloth production by power loom and hosiery increased by 3 per cent during the period 2013–2014.

Textiles exports stood at US\$ 28.53 billion during April 2013–January 2014 as compared to US\$ 24.90 billion during the corresponding period of the previous year, registering a growth of 14.58 per cent.

Garment exports from India is expected to touch US\$ 60 billion over the next three years, with the help of government support.

The Government of India has promoted a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under automatic route.

d) THREATS:

According to the Cotton Corporation of India Ltd., cotton availability (production and imports) in the current season (October 2013 to March 2014) is estimated at 37.5 million bales (1 bale=170kg), up 1.8% yoy, while domestic consumption is expected at 29.7 million, up 4.9% yoy, and leaving a 4 million surplus. Improved demand outlook would support cotton prices round the year, barring a global demand-supply mismatch which could impact export market sales.

The event risk of a cotton price crash remains high for yarn manufacturers who usually stock up cotton for six to eight months.

The correction in wool prices has been partially offset by rupee depreciation as wool is largely an import-dependent segment.

e) RISKS AND CONCERNS:

Your company is taking adequate majors to safeguard against Risks & Concerns.

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has been maintaining an adequate internal control system commensurate with the size & nature of its business.

g) HUMAN RESOURCES POLICIES:

Your company considers its human resources as its most valuable assets, among all other assets of the Company. It has been the policy of the company to actuate the talent by providing opportunities to develop themselves within the organization. The company continued to have maintained very cordial & harmonious relations with its employees.

h) CAUTIONARY STATEMENT:

The Director's report contains some forward looking statements which may be identified by use of words like expect, anticipate, believes, intends, projects, plans or other words of similar meaning. These forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. Company assumes no responsibility to publicly amend, modify or revise any of the forward looking statement on the basis of any subsequent developments, information or events.

Management is also of the opinion that quarter to quarter performance comparison would not be an ideal way of reviewing the Company's performance in view of the changing transaction dynamics which might result into some of the key assignments getting stretched and the incidence of the revenues may either pass over to next quarter or pushed on to a longer time scale than anticipated

On behalf of the Board
For SUNIL INDUSTRIES LIMITED

Date: August 14, 2014
Place: Dombivli

SD/-
VINOD LATH
CHAIRMAN

CEO/CFO CERTIFICATION

To,
The Board of Directors,
SUNIL INDUSTRIES LIMITED
D-8, MIDC, Phase II,
Manpada Road, Dombivli (E),
Dist. Thane

We, Mr. Vinod Lath, CEO and Mr. Pradeep Roongta, CFO of the Company do hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year and that 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 statement 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. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we 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.

FOR SUNIL INDUSTRIES LIMITED

Sd/-
Mr. Vinod Lath
(CEO)

FOR SUNIL INDUSTRIES LIMITED

Sd/-
Mr. Pradeep Roongta
(CFO)

Date: August 14, 2014

Place: Dombivli

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of the Clause 49 of the listing Agreement, Code of Conduct as approved by the Board of Directors of the Company, all the members of the Board and the senior management personnel had affirmed compliance with the Code for the period 31st March, 2014.

On behalf of the Board
For SUNIL INDUSTRIES LIMITED

Date: August 14, 2014

Place: Dombivli

SD/-
VINOD LATH
CHAIRMAN

CERTIFICATE ON CORPORATE GOVERNANCE FROM PRACTICING COMPANY SECRETARIES

To,
The Shareholders,
SUNIL INDUSTRIES LIMITED
D-8, MIDC, Phase II,
Manpada Road, Dombivli (E),
Dist. Thane

We have reviewed the implementation of Corporate Governance produced by the company during the year ended on 31st March, 2014 with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion on the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied with Clauses 49 of the Listing Agreement. except provisions of Clause 49(I)(A)(i), Clause 49(I)(A)(ii) and Clause 49(I)(C)(iv) of the Listing Agreement.

We further state that our examination of such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For HS Associates,
Company Secretaries

Sd/-
Hemant Shetye
Partner
FCS: 2827
COP: 1483

PLACE: Mumbai.
DATE: August 14, 2014

COMPLIANCE CERTIFICATE

Regn/CIN of the Company: L99999MH1976PLC019331
Nominal Capital : Rs. 5,00,00,000/-
Issued Capital : Rs. 4,20,00,000/-

To,
The Members,
SUNIL INDUSTRIES LIMITED
D 8, MIDC Phase II,
Manapada Road,
Dombivali (East),
Thane - 421 201.

We have examined the registers, records, books and papers of SUNIL INDUSTRIES LIMITED (“the Company”) as required to be maintained under the Companies Act, 1956 (to the extent not repealed) and the Companies Act, 2013 (to the extent notified) (hereinafter referred as the “Act” unless specified otherwise) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 (“financial year”). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure ‘A’ to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure ‘B’ to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
3. The Company being a limited Company has a minimum prescribed paid-up capital.
4. The Board of Directors duly met 6 (Six) times on 30th May, 2013 ; 8th June, 2013 ; 14th August, 2013, 14th November, 2013; 25th January, 2014 and 14th February, 2014 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members for the period from Monday the 23rd September, 2013 to Monday the 30th September, 2013.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 30th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings were held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Companies Act 1956 and / or Section 185 of the Companies Act, 2013.
9. The Company has entered into transactions falling within the purview of Section 297 of the Act however no Central Government approval is taken.
10. The Company has made the necessary entries in the register maintained under Section 301 of the Act.

11. There were no instance falling within the purview of Section 314 of the Act during the financial year, and therefore no approval is obtained.
12. The Company has issued 4 (Four) Duplicate Certificates for 4000 Equity Shares during the financial Year.
13. The Company has:
 - i. Has delivered all Share Certificates on lodgment for transfer of 10,700 Equity shares of Rs. 10/- each during the financial year. There was no other allotment or transmission of securities during the financial year.
 - ii. not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii. not posted warrants to any members of the Company as no dividend was declared during the financial year.
 - iv. not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for seven years, to Investor Education and Protection Fund as no amount in respect of the above were lying in the books of accounts of the Company to be transferred.
 - v. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. During the year there was no appointment of Additional Director or Alternate Director and/or Director to fill casual vacancy. However there was resignation of a Director during the financial year.
15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was required to obtain approval of Central Government under Section 297 of the Act however no such approval was obtained. Apart from this the Company was not required any approval of Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no Preference Share Capital or Debentures and as such there was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

24. The amount borrowed by the Company during the financial year exceeds the limits prescribed under Section 293(1) (d) of the Act and the limits allowed by the members in the General Meeting.
25. The investments made by the Company are in compliance with the provisions of Section 372A of the Act and has made necessary entries in the register kept for the purpose. The Company has not given any loans or guarantees or provided securities to other bodies corporate during the financial year under review.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial Year.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishments was imposed on the Company during the financial year, for offences under the Act
32. The Company has not received any money as security from its employees during the financial year.
33. As explained to us, the Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

SIGNATURE:

NAME OF COMPANY SECRETARY:
HEMANT SHETYE
PARTNER
HS ASSOCIATES
C.P. No.: 1483
F.C.S : 2827

PLACE: Mumbai
DATE: August 14, 2014

ANNEXURE "A"**REGISTERS AND RECORDS MAINTAINED BY THE COMPANY**

- a. Register of members under Section 150 and Index of Members under Section 151.
- b. Register of Transfer.
- c. Register of Directors, Managing Director, manager and secretary under Section 303.
- d. Register of Directors' shareholdings under Section 307.
- e. Register of Loans & Investments under Section 372A.
- f. Register of Director's Attendance-As per Regulation 71 contained under schedule-1 (Table "A") to the Companies Act, 1956.
- g. Register of Share application and allotment.
- h. Minutes Book under Section 193.
- i. Books of Account under Section 209.
- j. Registers & Returns under Section 163.
- k. Register of Charges under section 143.
- l. Register of Contract under section 301.

ANNEXURE "B"

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, Company Law Board, Central Government and other authorities during the financial year ended on 31st March 2014.

Forms	Section	Date of filing	Particulars
23D	233B	05/04/13	Information by Cost Auditor to Central Government.
e—form 8	135	02/08/2013	Particulars of Modification of Charge.
e—form 32	303 (2)	26/08/2013	Particulars of Change in Composition of Board of Directors.
e—form 8	135	05/09/2013	Particulars of Modification of Charge.
23D	233B	06/10/13	Information by Cost Auditor to Central Government.
e-form66	383A	09/10/2013	Submission of Compliance Certificate for the year ending March 31, 2012
e-form 23AC XBRL and e- form 23ACA XBRL	220	31/10/2013	Submission of Balance sheet and Profit & Loss Account for the year ended March 31, 2013
e—form 20B	159	29/11/2013	Submission of Annual Return for the year ending March 31, 2013
e—form 20B (revised)	159	10/12/2013	Submission of Annual Return for the year ending March 31, 2013
e—form 8	125	17/02/2014	Particulars of Creation of charge

Signature:
Sd/-

Name of Company Secretary:
Hemant Shetye
Partner
Hs Associates
C.P. No.: 1483
F.C.S : 2827

PLACE: Mumbai
DATE: August 14, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of
Sunil Industries Limited
Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the act") read with the general circular 15/2013 dated 13th September 2013 of the ministry of corporate affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3c) of section 211 of The Companies Act, 1956 read with the general circular 15/2013 dated 13th September 2013 of the ministry of corporate affairs in respect of section 133 of the Companies Act, 2013.
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Opinion

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

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

For V.K. BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

CA V.K.BESWAL
PARTNER
Membership Number: 030426

PLACE: Mumbai
DATE : 30-05-2014

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 1 thereof)

- i) In respect of fixed assets:
 - a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) the fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification;
 - c) since the company has not disposed off a substantial part of fixed assets during the year, the question of sale of substantial part of fixed assets affecting going concern concept does not arise.
- ii) In respect of inventories:
 - a) as explained to us, physical verification of inventory has been conducted during the year by the management at reasonable intervals;
 - b) in our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
 - c) in our opinion, and according to the information and explanation given to us, the Company is maintaining proper records of its inventory and no material discrepancies were noticed on physical verification.
- iii) In respect of loans, secured or unsecured, granted or taken by the company, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act, according to the information and explanations given to us:
 - a) The company has not granted any loan to companies or firms or parties covered in the register maintained under section 301 of the Act.
 - b) The Company has not taken any loans from parties covered in the Register maintained under section 301 of the Act. The company has however taken loan from one company covered in the Register maintained under section 301 of the Act. The maximum amount outstanding during the year in respect of the loans taken from company covered in the Register maintained under section 301 of the Act aggregates to Rs. 1355.97 lakhs and the balance outstanding at 31.03.2014 is Rs. 64.48 Lakhs.
 - c) in respect of the unsecured loans taken by the company, the rate of interest and other terms are prima facie not prejudicial to interest of the company;
 - d) there are no overdue amounts of loans taken or granted by the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of the audit we have not observed any continuing failure to correct any major weakness in internal control.

- v) In respect of transactions that need to be entered in the register maintained in pursuance of Section 301 of the Act in our opinion and according to the explanations given to us:
- transactions that need to be entered into the Register in pursuance of Section 301 of the Act have been so entered;
 - In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices, which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits covered under section 58A and section 58AA of the Act and hence the question of contravention of the provisions thereof does not arise.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of subsection (1) of Section 209 of the Act, and are of the opinion that Prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examinations of records with a view to determine whether they are accurate or complete
- ix) According to the information and explanation given to us in respect of statutory and other dues:
- the company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Excise Duty and any other statutory dues with appropriate authorities where applicable. As explained to us, the company did not have any dues on account of investor education and protection fund, wealth tax, cess and customs duty.
 - the following dues have not been deposited by the company on account of disputes:

Sr. No.	Name of the statute	Amount (In Lacs)	Forum where dispute is pending
i)	Central Excise Duty	211.98	Adjudication
ii)	Central Excise Duty (Payment made under protest Rs. 20 Lakhs)	246.06	Central Excise Appellate Tribunal (CEGAT)
iii)	Custom Duty	336.00	Appellate Tribunal (CESTAT)

- x) The company has no accumulated losses at the end of the year under review. The company has not incurred cash losses during the year under review and in the immediately preceding previous year.
- xi) The company has not defaulted in repayment of loan taken from banks and financial institutions. Since the company has not taken loan by way of debentures the question of default therein does not arise.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund or nidhi, mutual benefit fund, society. Therefore, clause 4 (xiii) of the CARO is not applicable to the company.

- xiv) The company has not been dealing or trading in shares, debentures and other investments. Therefore, clause 4(xiv) the CARO is not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi) According to the records of the Company, the Company has applied the term loans for the purposes of which it was taken during the year.
- xvii) The company has not used the funds raised on short term basis for long term investments.
- xviii) The company has not made any preferential allotment of shares during the year and accordingly the question of price being prejudicial to the interest of the company does not arise.
- xix) Clause 4(xix) is not applicable since as at the end of the year under review there are no debentures issued.
- xx) During the period, the Company has not raised any money by way of public issue.
- xxi) According to the information and explanations given to us, no fraud on or by the Company have been noticed or reported during the financial year under review.

For V.K. BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

Sd/-
C.A. V.K.BESWAL
PARTNER
Membership Number – 030426

Place - Mumbai.
Date 30-05-2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Notes	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	41,984,000	41,984,000
(b) Reserves and surplus	2	<u>227,770,757</u>	<u>213,537,036</u>
		269,754,757	255,521,036
2 Non-current liabilities			
(a) Long-term borrowings	3	245,759,904	156,043,763
(b) Deferred tax liabilities (net)	4	<u>8,274,806</u>	<u>6,670,188</u>
		254,034,710	162,713,951
3 Current liabilities			
(a) Short-term borrowings	5	64,735,178	58,103,364
(b) Trade payables	6	41,575,616	97,563,129
(c) Other current liabilities	7	11,800,583	7,535,181
(d) Short-term provisions	8	<u>1,055,808</u>	<u>313,751</u>
		119,167,185	163,515,424
	TOTAL	<u>642,956,652</u>	<u>581,750,411</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	139,074,033	59,622,654
(ii) Capital work-in-progress		-	-
		<u>139,074,033</u>	<u>59,622,654</u>
(b) Non-current investments	10	1,000	1,000
(d) Long-term loans and advances	11	<u>11,071,401</u>	<u>12,738,062</u>
		11,072,401	12,739,062
2 Current assets			
(a) Inventories	12	159,821,965	162,657,897
(b) Trade receivables	13	193,431,880	215,576,317
(c) Cash and cash equivalents	14	93,193,438	37,999,115
(d) Short-term loans and advances	15	<u>46,362,935</u>	<u>93,155,367</u>
		492,810,218	509,388,695
	TOTAL	<u>642,956,652</u>	<u>581,750,411</u>

Notes forming part of the financial statements

As per our attached report of even date

For and on behalf of the board

For **V. K. BESWAL & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 ICAI Firm Registration No.101083W

R. P. LADDHA
 (PARTNER)
 Membership No. 48195

Place: Mumbai
 Date : 30/5/2014

Sd/-
V.G.Lath
 (Chairman & Managing Director)

Sd/-
P.K.Roongta
 (Director)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING ON 31ST MARCH 2014

Particulars	Notes	AS AT	AS AT
		31/03/2014	31/03/2013
		₹	₹
1 Revenue from operations (net)	16	1,264,337,499	1,127,637,018
2 Other income	17	9,030,034	7,744,991
4 Total revenue (1+2)		1,273,367,533	1,135,382,009
5 Expenses			
(a) Cost of materials consumed	17A	949,587,601	818,829,193
(b) Purchases of Made Ups of Stock in trade		40,197,478	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	17B	-11,190,514	(6,319,875)
(d) Employee benefits expense	19	11,589,258	10,301,946
(e) Finance costs	20	21,472,594	16,100,817
(f) Depreciation and amortisation expense	9	7,977,657	6,494,579
(g) Other expenses	21	231,992,736	272,776,251
Total expenses		1,251,626,810	1,118,182,911
6 Profit / (Loss) before tax (3 - 4)		21,740,723	17,199,098
7 Tax expense:			
(a) Current tax expense for current year		5,902,383	3,996,333
(b) MAT (Credit)/Credit Utilized		-	1,809,785
(c) Current tax expense relating to prior years		-	182,930
(d) Net current tax expense		5,902,383	5,989,048
(e) Deferred tax		1,604,618	-76,858
		7,507,001	5,912,190
8 Profit After Tax from continuing operations (5 - 6)		14,233,722	11,286,908
9 Earnings per share (of ₹ 10/- each):			
(a) Basic		3.39	2.69
(b) Diluted		3.39	2.69

Notes forming part of the financial statements

As per our attached report of even date

For and on behalf of the board

For **V. K. BESWAL & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 ICAI Firm Registration No.101083W

Sd/-
V.G.Lath
 (Chairman & Managing Director)

Sd/-
P.K.Roongta
 (Director)

R. P. LADDHA
 (PARTNER)
 Membership No. 48195

Place: Mumbai
 Date : 30/5/2014

Notes Forming Part of the Financial Statements

Note 1 Share capital

Particulars	No. of Shares	₹	No. of Shares	₹
(a) Authorised				
Equity shares of ₹ 10 each	5,000,000	50,000,000	5,000,000	50,000,000
		50,000,000		50,000,000
(b) Issued				
Equity shares of ₹ 10 each	4,200,000	42,000,000	4,200,000	42,000,000
		42,000,000		42,000,000
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each	4,200,000	42,000,000	4,200,000	42,000,000
		42,000,000		42,000,000
(d) Subscribed but not fully paid up				
		16,000		16,000
		16,000		16,000
Total	4,200,000	41,984,000	4,200,000	41,984,000

Disclosure pursuant to Part I of Schedule VI to the Companies Act, 1956
(Following disclosure should be made for each class of Shares)

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	4,200,000	41,984,000	4,200,000	41,984,000
Shares Issued during the year	-	-	-	-
Bonus Issue/ESOP/Conversion	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,200,000	41,984,000	4,200,000	41,984,000

Disclosure pursuant to Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Particulars	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Exim Pvt Ltd	344,900	8.21	344,900	8.21
Saroj Vinod Lath	335,200	7.98	335,200	7.98
Rajshree Fiscal Services Ltd	317,500	7.56	317,500	7.56
Vinod Gajanand Lath	274,000	6.52	274,000	6.52
Lakshmikant Lath	234,500	5.58	234,500	5.58

Disclosure pursuant to Part I of Schedule VI to the Companies Act, 1956
(Following disclosure should be made for each class of Shares)

Particulars	Year (Aggregate No. of Shares)				
	2012-13	2011-12	2010-2011	2009-2010	2008-2009
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Disclosure pursuant to Part I of Schedule VI to the Companies Act, 1956

	₹
Unpaid Calls	
By Directors	-
By Officers	-

Note 2 Reserves and surplus

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Securities premium account		
Opening balance	49,343,289	49,343,289
Add : Premium on shares issued during the year		
Arrears in Share Premium Account	63,000	63,000
Closing balance	49,280,289	49,280,289
(b) General reserve		
Opening balance	140,857,634	140,857,634
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	140,857,634	140,857,634
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	23,399,113	12,112,205
Add: Profit / (Loss) for the year	14,233,722	11,286,908
Closing balance	37,632,834	23,399,113
Total	227,770,757	213,537,036

Note 3: Long Term Borrowings

Particulars	As at	As at	As at	As at
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
	Non- Current (₹)		Current (₹)	
Secured Loan				
1. Term Loans From Bank				
Yes Bank Term Loan	5,762,533	-	1,236,058	-
2. Edelweiss Housing Finance Ltd	47,079,865	-	2,870,135	-
3. Yes Bank Car Loan	687,175	-	626,720	-
Total [A]	53,529,573	-	4,732,913	-
Unsecured Loan				
Inter Corporate Deposit				
Total [B]	192,230,331	156,043,763	-	-
	245,759,904	156,043,763	4,732,913	-

- Term Loan from Yes Bank secured by hypothecation of machinery purchaseout of term loan , charge over the company's Factory Building, equitable mortgage of Industrial Property at Dombivali East, personal guarantee of Directors Mr. Vinod Lath and Mr.Pradeep Roongta and Corporate Guarantees of M/s Sunil Exim Pvt Ltd, M/s Sunil Print Pvt Ltd, M/s Sunil Fabrics Pvt Ltd., M/s Sunil Synthetics Pvt Ltd and owners of the property till the end of tenor of facility.
- Loan from Edelweiss Housing Finanace Ltd secured by mortgage of residential property at Sunbean May Flower chs Ltd , Peddar Road, Mumbai-400026.
- Car loan from Yes bank secured by hypothecation of Rexton motor car.

Note 4. Deffered Tax Liabilities

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Tax effect of items constituting deferred tax liability		
Book balance of fixed assets	139,074,033	59,622,653
Balance of fixed asset computed as per Income Tax rules	113,569,929	39,064,206
Tax effect of items constituting deferred tax assets	25,504,104	20,558,448
Net deferred tax liability	8,274,806	6,670,188

Note 5: Short Term Borrowings

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<u>Loans Repayable on Demand</u>		
<u>Secured loan</u>		
Working Capital loan from Yes bank	64,735,178	58,103,364
Total	64,735,178	58,103,364

(Secured by hypothecation of Fixed Assets and current assets, charge over the company's Factory Building, equitable mortgage of Industrial Property at Dombivali East, personal guarantee of Directors Mr. Vinod Lath and Mr.Pradeep Roongta and Corporate Guarantees of M/s Sunil Exim Pvt Ltd, M/s Sunil Print Pvt Ltd, M/s Sunil Fabrics Pvt Ltd., M/s Sunil Synthetics Pvt Ltd and owners of the property till the end of tenor of facility)

Note 6 Trade payables

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Trade payables:	41,575,616	97,563,129
Total	41,575,616	97,563,129

Trade Payables include Nil payable to "Suppliers" registered under Micro, Small and Medium enterprises development act, 2006. No interest has been paid /payable by company during the year to the suppliers covered under the Micro, Small and Medium enterprises development act, 2006

Note 7 Other current liabilities

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(i) Other Liabilities	609,215	1,308,145
(ii) Current maturities of Term Loan	1,236,058	-
(iii) Current maturities of Housing Loan	2,870,135	-
(iv) Current maturities of Vehicle Loan	626,720	-
(v) Creditors For Expenses	6,458,455	6,227,036
Total	11,800,583	7,535,181

Note 8 Short-term provisions

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Provision For Income tax	884,824	313,751
Provision For Interest on Income tax	170,984	-
Total	1,055,808	313,751

Note 9 Tangible Fixed Assets

Description	Gross Block					Accumulated depreciation					Net Block	
	Balance as at 1st April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1st April 2013	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
a) Land (Leasehold)	4,669,409	-	-	4,669,409	26,803	3,829	-	30,631	4,638,778	4,642,606		
b) Building	40,794,441	-	-	40,794,441	19,643,036	1,362,534	-	21,005,570	19,788,871	21,151,405		
Factory Building	198,920	-	-	198,920	122,165	6,644	-	128,809	70,111	76,755		
Bhiwandi Godown	830,050	-	-	830,050	277,606	13,530	-	291,135	538,915	552,444		
Office Premises	251,000	66,036,750	-	66,287,750	69,548	130,900	-	200,448	66,087,302	181,452		
Residential Premises	8,647,576	-	-	8,647,576	1,002,653	288,829	-	1,291,482	7,356,094	7,644,923		
Building												
c) Office Equipments	1,857,095	-	-	1,857,095	1,826,523	11,250	-	1,837,773	19,322	30,572		
Lab Equipments	1,816,537	54,000	-	1,870,537	1,458,015	53,492	-	1,511,508	359,029	358,522		
Office Equipment												
d) Plant & Machineries	123,961,095	19,208,495	28,768,150	114,401,440	101,192,348	4,889,409	28,120,684	77,961,073	36,440,367	22,768,747		
Plant & Machinery	106,833	-	-	106,833	100,828	5,075	-	105,903	930	6,005		
Tube Well	3,427,507	-	-	3,427,507	2,314,090	162,807	-	2,476,897	950,610	1,113,417		
e) Electrical Equipments	4,172,222	88,000	-	4,260,222	3,903,750	231,023	-	4,134,773	125,449	268,472		
Computers	4,688,915	145,480	-	4,834,395	4,284,013	95,493	-	4,379,505	454,890	404,902		
f) Furniture & Fixtures	1,883,581	2,543,777	-	4,427,358	1,461,150	722,843	-	2,183,993	2,243,365	422,431		
Motor Car	197,305,181	88,076,502	28,768,150	256,613,533	137,682,527	7,977,657	28,120,684	117,539,500	139,074,033	59,622,654		
Total	195,653,839	1,651,342	-	197,305,181	131,187,948	6,494,579	-	137,682,527	59,622,654	64,465,890		

Note 10 : Non Current Investments

Particulars		As at 31 March, 2014 ₹	As at 31 March 2013 ₹
A	non- Trade Investments (Refer A below)		
	(A) Investment in Equity instruments	1,000	1,000
	Total (A)	1,000	1,000

B) Details of Non- Trade Investments

Sr. No.	Particulars	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No
			31.03.2014	31.03.2013			31.03.2014	31.03.2013	31.03.2014	31.03.2013	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A	Investment in Equity Instruments Sunil Fabrics Private Limited	Others	10	10	Unquoted	Fully	Paid	0.02	1,000	1,000	Yes
									1,000	1,000	

Note 11 Long-term loans and advances

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Security deposits Unsecured, considered good	1,184,471	1,691,632
	1,184,471	1,691,632
(b) Balances with government authorities Unsecured, considered good		
(i) Excise Authorities	2,065,000	2,065,000
(ii) Others	7,508,693	8,668,193
(iii) Income Tax Refund Due	313,237	313,237
	9,886,930	11,046,430
Total	11,071,401	12,738,062

**Note 12 Inventories
(As certified by the management)**

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Raw materials	18,650,512	35,354,286
(b) Work-in-progress	86,988,940	55,425,296
(c) Finished goods (other than those acquired for trading)	41,323,852	61,696,982
(d) Stores and spares	12,459,791	9,513,682
(e) Packing Materials	334,554	180,666
(f) Fuel, Oil & Gases	64,315	486,985
Total	159,821,965	162,657,897

Method of Valuation of Stock :

- a) Stock of Raw Material & Packing material is valued at lower of Cost determined on FIFO basis or net realisable value
- b) Stores & spares and Fuel ,oil & Gases
- c) Work -in Progress and Finished Goods are valued at cost or net realizable value whichever is lower.

The cost includes manufacturing expenses and appropriate overheads.

Note 13 Trade receivables

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Unsecured, considered good	44,960,716	10,674,801
Doubtful	-	-
	44,960,716	10,674,801
Less: Provision for doubtful trade receivables	-	-
	44,960,716	10,674,801
Other Trade receivables		
Secured, considered good		
Unsecured, considered good	148,471,164	204,901,516
Doubtful		
	148,471,164	204,901,516
Less: Provision for doubtful trade receivables		
Total	193,431,880	215,576,317

Note 14 Cash and cash equivalents

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Cash on hand	512,120	937,669
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	58,231,624	8,934,310
(ii) In deposit accounts	34,449,695	28,127,136
Total	93,193,438	37,999,115

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is R 379,99,115/- for the PY 2012-2013 and R 931,93,438/- for the CY 2013-2014

Note 15 Short-term loans and advances

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Advances Recoverable in Cash or Kind		
Secured, considered good	-	-
Unsecured, considered good	42,167,954	50,709,807
Intercorporate Deposits	3,388,333	41,475,977
Prepaid Insurance	806,648	969,583
Total	46,362,935	93,155,367

Note 16 Revenue from operations

Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
(a) Sale of products @ (Refer Note (i) below)	1,172,925,358	1,018,730,831
(b) Sale of services @ (Refer Note (ii) below)	91,412,141	108,906,186
Total	1,264,337,499	1,127,637,018

Note 16 Revenue from operations

Note	Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
(i)	Sale of products comprises		
	Cloth	1,118,954,277	1,014,455,137
	Made-Ups	40,396,160	-
	Yarn	13,574,921	4,275,694
	Total - Sale of manufactured & Traded goods	1,172,925,358	1,018,730,831
(ii)	Sale of services comprises		
	Processing Charges	91,412,141	108,906,186
	Total - Sale of services	91,412,141	108,906,186

Note 17 Other income

Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
Interest income	7,551,348	7,029,593
Dividend income:	-	68,719
Sundry Balances Written Back	53,040	14,767
Sundry Sales	661,501	631,912
Miscellaneous Income	189,226	-
Profit on sale of fixed Asset	574,919	-
Total	9,030,034	7,744,991

Note 18. A Cost of materials consumed

	Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
	Raw Material Consumed		
	Opening Stock	35,354,286	37,636,276
	Add: Purchases	473,915,819	561,770,819
		509,270,105	599,407,095
	Less: Closing stock	18,650,512	35,354,286
	Rebate & discount	384,476	378,866
		490,235,117	563,673,944
	Purchases	459,352,484	255,155,249
	Total Consumption	949,587,601	818,829,193
(i)	Raw Material Comprises of:		
	(A) Yarn	150,478,108	238,567,548
	(B) Cloth	286,855,583	295,838,470
	(C) Fibre	36,582,128	27,364,801
		473,915,819	561,770,819
(ii)	Purchase Comprises of:		
	Cloth	459,352,484	255,155,249
		459,352,484	255,155,249

Note 18.B Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
(a)	Inventories at the end of the year:		
	Finished goods	41,323,852	61,696,982
	Work-in-progress	86,988,940	55,425,296
		128,312,792	117,122,278
(b)	Inventories at the beginning of the year:		
	Finished goods	61,696,982	68,773,482
	Work-in-progress	55,425,296	42,028,922
		117,122,278	110,802,404
	Net (increase) / decrease	(11,190,514)	(6,319,875)

Note 19 Employee benefits expense

	Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
(a)	Salaries and wages	9,170,087	8,354,420
(b)	Contributions to provident and other funds	1,219,165	797,550
(c)	Staff welfare expenses	1,200,006	1,149,976
	Total	11,589,258	10,301,946

Note 20 Finance costs

	Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
(a)	Interest Expenses		
	(i) on Borrowings	13,080,880	13,439,877
	(ii) others-		
	- on Working Capital	5,146,664	1,680,087
	- on Fixed Loan	770,607	-
	- on Income Tax	311,487	-
(b)	Other Borrowing Cost		
	(i) Bank Charges and Commission	1,342,146	419,053
	(ii) Loan Processing Charges	820,810	561,800
	Total	21,472,594	16,100,817

Note 21 Other expenses

Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March, 2013 ₹
MANUFACTURING EXPENSES		
Processing and Labour Charges	76,726,553	74,463,324
Spinning Charges	-	417,874
Weaving & Other Mfg exp	17,626,393	32,107,088
Stores, Dyes and Chemicals consumed	47,537,661	61,391,692
Power and Fuel	39,901,962	44,263,790
Water Charges	3,427,006	5,634,786
Repairs to Building	1,246,660	311,889
Repairs to Machinery	2,970,821	1,636,430
Repairs to Others	1,015,653	737,540
Screen Design Expenses	452,673	442,240
Packing Material consumed	11,801,831	12,975,416
ADMINISTRATIVE EXPENSES		
Corporate Social Responsibility	498,960	146,485
Rent, Rates and Taxes	5,477,423	2,071,745
Insurance Charges	1,598,388	868,475
Travelling and Conveyance	903,275	842,254
Other Expenses	7,040,001	6,047,078
Freight, Octroi and Forwarding Expenses	10,168,072	23,280,461
Auditors's Remuneration	337,080	331,002
SELLING EXPENSES		
Advertisement and Sales Promotion	1,736,055	1,387,097
Brokerage and Commission	1,526,269	3,419,586
Total	231,992,736	272,776,251

Auditors Remuneration :

Particulars	31/03/2014 ₹ In Lakhs	31/03/2013 ₹ In Lakhs
a) Statutory Audit Fees	2.81	2.81
b) Other	0.22	0.28
c) Branch Audit Fee	0.34	0.22
Total	3.37	3.31

Note 22: Depreciation & Amortisation of Assets

Particulars	31/03/2014 ₹ In Lakhs	31/03/2013 ₹ In Lakhs
Depreciation on Tangible Assets	1,175.39	1,376.83
Depreciation on Intangible Assets	-	-
Total	1,175.39	1,376.83

Notes Forming Part of the Financial Statements**Note****1 Corporate information**

The Company is engaged in the business of manufacturing of cloth and processing thereof.

2 Significant accounting policies**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insigni cant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation**Accounting Policies:****Fixed Assets :****a) Gross Block :**

All Fixed Assets are stated at cost.

b) Depreciation:

Depreciation on Plant & Machinery, Factory Building, Office Premises, Godown at Bhiwandi, Residential Premises, Tube Well, Lab Equipments, Computers and Electric Installations is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 (the Act).

Depreciation on Furniture, Office Equipments and Vehicles is provided on Written Down Value Method at the rates and in the manner specified in Schedule XIV of the Act.

Depreciation on Additions to Fixed Assets during the year is calculated on pro-rata basis.

2.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

2.9 Tangible fixed assets

All Fixed Assets are stated at cost less depreciation.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

2.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

2.11 Investments

Long-term investments (excluding investment in properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund & gratuity fund.

Defined contribution plans:

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Gratuity (Funded) Reconciliation of Fair Value of Plan Assets	3/31/2014 ₹
Present Value of Defined Benefit Obligation as at the Beginning of the Year	1,453,359
Interest Cost	116,269
Current Service Cost	60,981
Net Actuarial (Gain) / Loss	-
Present Value of Obligations as at end of the year	1,630,609

Reconciliation of Fair Value of Plan Assets	3/31/2014 ₹	3/31/2013 ₹
Fair Value of Plan Assets as at the Beginning of the Year	1,665,962	1,459,410
Expected Return on Plan Assets	153,102	134,150
Employer's Contribution	46,867	72,402
Fair Value of Plan Assets as at the End of the Year	1,865,931	1,665,962

Gratuity	31/3/2014	13/3/2013
Funds Maintained with Life Insurance Corporation of India	100%	100%

Segment reporting**Business Segments :**

The company is primarily engaged in business of processing of fabrics and sale. The company also processes fabrics on job work basis. However the revenue from processing on job work basis during the year under review and in the preceding financial year is less than 10% of the total revenue, the disclosure requirements of Accounting Standard (AS-17) issued by the Institute of chartered Accountants of India are not applicable. Since there are no exports reporting on geographical segments is not required.

Related party transactions**Details of related parties:****A) Related party and their relationships :****i) Enterprises controlled by Director and Relatives.**

Eske Tex (India) Private Limited
 Sunil Fabrics Private Limited
 Sunil Synthetics Private Limited
 Sunil Prints Private Limited
 Sunil EXIM Private Limited
 Sunil Bleaching Co. Private Limited
 Apple Mines & Minerals Private Limited
 Rarefab Textiles pvt ltd

Name of Key Management**Personnel and their relatives :**

Mr. Vinod Lath – Managing Director
 Mr. Laxmikant Lath – Son of Managing Director
 Mr. Ramesh Khanna- Whole time Director
 Mr. Pradeep Rungta – Whole time Director
 Mrs. Saroj Lath – Wife of Managing Director
 Mrs. Rashmi Khanna – Wife of the Director
 Mrs. Beena Rungta – Wife of the Director
 Mrs. Vandana Lath – Daughter-in-law of Managing Director

Note: Related parties have been identified by the Management.

Details of related party transactions during the year and balances outstanding as at 31 March, 2014:

B) Transactions with Related Parties :	31/03/2014	31/03/2014
Nature of Transaction:	₹ In Lakhs	₹ In Lakhs
a) Transactions with enterprises controlled by directors & Relative		
1. Cloth Purchase	18.72	-
2. Cloth Sales	-	-
3. Weaving Charges Paid	-	4.34
4. Interest Paid	57.60	116.39
5. Rent Paid	6.05	6.05
6. Outstanding Receivables	0.21	4.08
7. Outstanding Payables	10.60	5.34
8. Loan Taken	135.60	1,110.46
9. Loan repaid	1,126.68	319.51
10. Loan outstanding balance	64.48	105.56
b) Transactions with key management person		
Directors Remuneration	16.20	16.03
c) Transactions with Relative		
Salary Paid	-	0.20

2.15 Earnings per share

Earnings per Equity share is computed as under-	31/03/2014 ₹ In Lakhs	31/03/2013 ₹ In Lakhs
Numerator - Profit after Tax	14,233,722	11,286,908
Denominator - as the weighted average no of shares at the end of the year.	4,200,000	4,200,000
Basic and diluted EPS	3.39	2.69

2.16 Taxes on income

Tax expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred tax reflects the impact of the current year timing differences between taxable income and accounting income for the year and the reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rate and tax laws enacted or substantially enacted as at the balance sheet date.

2.17 Impairment of assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimates of recoverable amount.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.19 Contingent Liabilities not provided for:

Particulars	31/03/2014 ₹ In Lakhs	31/03/2013 ₹ In Lakhs
i) Disputed Excise Duty liability	458.04	457.85
ii) Disputed Customs Duty liability of M/s. Sunil Impex, a firm in which the company was an erstwhile partner sharing 80% profit and loss (to the extent of the profit and loss sharing ratio).	336.00	336.00
iii) Bank Guarantee	344.50	281.27

3 In the opinion of the Board :

- i) The current assets, loans and advances will realise in the ordinary course of business, at least the amount at which these are stated in the Balance Sheet
- ii) Provision for all known liabilities have been made.

4 The balances of Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.

5 The Company has been informed by their suppliers that they are not falling under the category of Small Scale Industries.

5.1 Stores, Spares, Dyes and Chemicals consumed:

	31/03/2014 ₹ In Lakhs	31/03/2013 ₹ In Lakhs
Indigenous	498.87	505.00
Imported	5.96	23.26
Total	504.84	528.26

Expenditure in Foreign Currency:	31/03/2014 ₹ In Lakhs	31/03/2013 ₹ In Lakhs
C.I.F Value of Stores Imported	4.50	17.65
Foreign Travel	-	0.70

5.3 The company has a spinning unit at Dindigul, Tamilnadu. The accounts of the Dindigul unit has been audited by S.M.M & Co. -Chartered Accountants

5.4 Cash flow statement is enclosed as Annexure – 1

6 The previous year's figures have been reclassified to conform to the current year's classification.

As per our attached report of even date

For and on behalf of the board

For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No.101083W

Sd/-
V.G.Lath
(Chairman & Managing Director)

Sd/-
P.K.Roongta
(Director)

R. P. LADDHA
(PARTNER)
Membership No. 48195

Place: Mumbai
Date : 30/5/2014

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31.03.2014		For the year ended 31.03.2013	
	₹	₹	₹	₹
A) CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Profit /(Loss) Before Taxation		21,740,723		17,199,098
Add/(Less) :				
Interest paid	19,169,135		15,119,964	
Depreciation	7,977,657		6,494,579	
		<u>27,146,792</u>		<u>21,614,543</u>
		48,887,514		38,813,640
Deduct:				
Profit on sale of Fixed Assets	574,919		-	
Interest received	<u>7,551,348</u>		<u>7,029,593</u>	
Dividend Income	-	8,126,267	68,719	7,098,312
		<u>40,761,247</u>		<u>31,715,328</u>
OPERATING PROFIT/ (LOSS)BEFORE WORKING CAPITAL CHANGES AND EXTRAORDINARY ITEMS				
Add:				
Increase in Trade Payables	-		33,271,361	
Increase in Other than Trade Payables	4,265,402		-	
Decrease In Long term Loans And Advances	1,666,661		-	
Decrease in Trade Receivable	22,144,437		-	
Decrease in Inventories	2,835,932		-	
Decrease in Short term Loans And Advances	46,792,432		-	
		<u>77,704,864</u>		<u>33,271,361</u>
		118,466,111		64,986,689
Deduct :				
Increase in Short term Loans And Advances	-		51,871,112	
Increase Long term Loans And Advances	-		486,517	
Increase in Trade Receivable	-		160,558,217	
Increase in Inventories	-		4,375,237	
Decrease in Trade Payable	55,987,513		-	
Decrease in Other than Trade Payables	-		11,027,199	
		55,987,513		228,318,282
		62,478,598		-163,331,592
Less : Taxes Paid		<u>5,331,310</u>		<u>3,877,083</u>
Net Cash Inflow/ (Outflow) in Course of Operating Activities		57,147,288		-167,208,675
B) CASH FLOW ARISING FROM INVESTING ACTIVITIES				
OUTFLOW:				
Acquisition of fixed assets	88,076,502		1,651,342	
Add/(Less): Capital Work in progress	-	88,076,502	-	1,651,342
Deduct Inflow :				
Sale of Fixed Assets/Machinery Scrapped	1,222,385	1,222,385	-	-
Net Cash (Outflow)/Inflow arising from Investing Activities		-86,854,117		-1,651,342
C) CASH FLOW ARISING FROM FINANCIAL ACTIVITIES				
INFLOW:				
Increase /(Decrease) in Borrowings (Net)				
Sale of Investments			2,000,000	
Sale of Investments	-		68,719	
Dividend Income				
Increase of Unsecured Loans	36,186,568		117,474,163	
Increase of Secured Loans	60,161,387		58,103,364	
Interest received	<u>7,551,348</u>		<u>7,029,593</u>	
		103,899,303		184,675,839

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
OUTFLOW:		
Interest paid	18,998,151	15,119,964
Net Cash Inflow/ (Outflow) arising from Financing Activities	84,901,152	169,555,875
Net Cash Increase/(Decrease) in inflow of cash/cash equivalents "(A+B+C)"	55,194,323	695,857
Add: Cash and cash equivalents at the beginning of the year	37,999,115	37,303,258
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>93,193,438</u>	<u>37,999,115</u>
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	512,120	937,669
Balances with scheduled banks in current account and Fixed deposits	58,231,624	8,934,310
Fixed deposits (Margin money against Bank Guarantees)	34,449,695	28,127,136
Total	<u>93,193,438</u>	<u>37,999,115</u>

As per our attached report of even date

For and on behalf of the board

For **V. K. BESWAL & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 ICAI Firm Registration No.101083W

Sd/-
V.G.Lath
 (Chairman & Managing Director)

Sd/-
P.K.Roongta
 (Director)

R. P. LADDHA
 (PARTNER)
 Membership No. 48195

Place: Mumbai
 Date : 30/5/2014

ATTENDANCE SLIP**SUNIL INDUSTRIES LIMITED**

Regd Of ce: D-8, MIDC, PHASE II, MANPADA ROAD, DOMBIVLI (E), DIST. THANE

38th Annual General Meeting

I/We hereby record my /our presence at the 38th Annual General Meeting of the Company D-8, MIDC Phase II, Manpada Road, Dombivli (East), Dist – Thane – 421 203 on 27th September, 2014 at 12.00

Member's Folio
DP ID Client ID. No

Member's Folio /
DP ID Client ID. No

Member's/ proxy Signature

Note :

1. Please complete the Folio/DP ID-Client ID NO. and name, sign this Attendance Slip and Handover at the Attendance Verification Counter at the Meeting Hall.
2. Electronic Copy of the Annual Report for FY -2013 -2014 and the Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this attendance slip.
3. Physical Copy of the Annual Report for 2013-2014 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

E-VOTING PARTICULARS**SUNIL INDUSTRIES LIMITED**

Regd Of ce: D-8, MIDC, PHASE II, MANPADA ROAD, DOMBIVLI (E), DIST. THANE

ELECTRONIC VOTING PARTICULARS

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

Note: Please read instructions given at Note No 15 of the Notice of the 38th Annual General Meeting Carefully before Voting electronically.

PROXY FORM**SUNIL INDUSTRIES LIMITED**

Regd Of ce: D-8, MIDC, PHASE II, MANPADA ROAD, DOMBIVLI (E), DIST. THANE

Thirty Eighth Annual General Meeting – September 27, 2014.

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

- 1) Name : _____
 Address : _____
 Email Id : _____
 Signature : _____ or Failing him
- 2) Name : _____
 Address : _____
 Email Id : _____
 Signature : _____
- 3) Name : _____
 Address : _____
 Email Id : _____
 Signature : _____

As per my/our proxy to vote (On Poll) for me/us on my/our behalf at the Thirty Eighth Annual General Meeting of the Company to be held on Saturday, September 27, 2014 at 12.00 a.m at D-8, MIDC, PHASE II, MANPADA ROAD, DOMBIVLI (E), DIST. THANE or and adjournment thereof.

Ordinary Business

1. Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March, 2014.
2. Ordinary Resolution Under Section 139 of The Companies Act, 2013 for Appointment of M/s V. K Beswal & Associates, Chartered Accountant as a statutory auditor of the Company and fixing their remuneration.

Special Business

3. Ordinary Resolution for Appointment of Mr. Vinod Lath, Managing Director (Holding DIN 00064774) as Managing Director and CEO for the period of 5 years with effect from 1st September, 2014.
4. Ordinary Resolution for Appointment of Mr. Pradeep Roongta, Whole-time Director (Holding DIN 00130283) as Whole-time Director for the period of 5 years with effect from 1st September, 2014.
5. Ordinary Resolution for Appointment of Mr. Ramesh Khanna, Whole-time Director (Holding DIN 00130351) as Whole-time Director for the period of 5 years with effect from 1st September, 2014.

6. Ordinary Resolution for appointment of Mr. Ravinder Kumar Gupta as Independent Director of the Company under the provisions of Section 149,150,152 of the Companies Act, 2013.
7. Ordinary Resolution for appointment of Mr. Rohit Gadia as Independent Director of the Company under the provisions of Section 149,150,152 of the Companies Act, 2013.
8. Special Resolution under Section 180(1) (a) to lease or mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immoveable properties and assets of the Company, to secure the repayment of term loan/ nancial assistance obtained/to be obtained for business purpose for an amount not exceeding Rs. 100 Crores (Rupees Hundred Crores Only).
9. Special Resolution under Section 180(1) (c) of the Companies Act, 2013 for borrowing an amount not exceeding Rs. 100 Crores. (Rupees Hundred Crores Only).
10. Ordinary Resolution for Appointment of M/s Shanker Chaudhary, Cost Accountants as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the nancial year 2014-15 and remuneration of Rs. 125000/- p.a plus service taxes.
11. Ordinary Resolution for Appointment of Mr. Mohd Iqbal as Director and Independent Director of the Company with effect from 13th August, 2014 to 12th August, 2019.

Signed this _____ day of _____ 2014

Re.1
Revenue
Stamp

Signature of the Shareholders _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, explanatory statements and notes, please refer to the notice of 38th Annual General Meeting.
3. * It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate
4. Please complete all details including details of member(s) in the above box before submission

ASSENT/ DISSENT FORM FOR VOTING ON AGM RESOLUTIONS**SUNIL INDUSTRIES LIMITED**

Regd Of ce: D-8, MIDC, PHASE II, MANPADA ROAD, DOMBIVLI (E), DIST. THANE

Thirty Eighth Annual General Meeting – September 27, 2014.

1. Name(s) & Registered Address :
Of the sole/ rst named Member
2. Name(s) of the Joint-Holder(s) :
If any
3. i) Registered Folio No. :
ii) DP ID No & Client ID No.
[Applicable to Members
Holding shares in dematerialized Form]
4. Number of Shares(s) held :
5. I/ We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual general Meeting dated 27th September, 2014, by conveying my/ our assent or dissent to the resolutions by placing tick () mark in the appropriate box below:

SR. No.	Resolutions	Optional *	
		For	Against
	Ordinary Business		
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March, 2014.		
2	Ordinary Resolution Under Section 139 of The Companies Act, 2013 for Appointment of M/s V. K Beswal & Associates, Chartered Accountant as a statutory auditor of the Company and xing their remuneration.		
	Special Business		
3	Ordinary Resolution for Appointment of Mr. Vinod Lath, Managing Director (Holding DIN 00064774) as Managing Director and CEO for the period of 5 years with effect from 1st September, 2014.		
4	Ordinary Resolution for Appointment of Mr. Pradeep Roongta, Whole-time Director (Holding DIN 00130283) as Whole-time Director for the period of 5 years with effect from 1st September, 2014.		
5	Ordinary Resolution for Appointment of Mr. Ramesh Khanna, Whole-time Director (Holding DIN 00130351) as Whole-time Director for the period of 5 years with effect from 1st September, 2014.		
6	Ordinary Resolution for appointment of Mr. Ravinder Kumar Gupta as Independent Director of the Company under the provisions of Section 149,150,152 of the Companies Act, 2013.		
7	Ordinary Resolution for appointment of Mr. Rohit Gadia as Independent Director of the Company under the provisions of Section 149,150,152 of the Companies Act, 2013.		
8	Special Resolution under Section 180(1) (a) to lease or mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immoveable properties and assets of the Company, to secure the repayment of term loan/ nancial assistance obtained/to be obtained for business purpose for an amount not exceeding Rs. 100 Crores (Rupees Hundred Crores Only).		
9	Special Resolution under Section 180(1) (c) of the Companies Act, 2013 for borrowing An amount not exceeding Rs. 100 Crores. (Rupees Hundred Crores Only).		
10	Ordinary Resolution for Appointment of M/s Shanker Chaudhary, Cost Accountants as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the nancial year 2014-15 and remuneration of Rs. 125000/- p.a plus service taxes		
11	Ordinary Resolution for Appointment of Mr. Mohd Iqbal as Director and Independent Director of the Company with effect from 13th August, 2014 to 12th August, 2019.		

Place:

Date:

Signature of the Member
Or
Authorized Representative

- Notes: i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
ii) Last date for receipt of Assent/ Dissent Form: 23rd September, 2014 (6.00 pm IST)
iii) Please read the instructions printed overleaf carefully before exercising your vote.

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent. If a shareholder has opted for physical Assent/Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through physical assent/dissent form and e-voting, then vote cast through physical assent/dissent shall be considered, subject to the assent/dissent form being found to be valid and vote cast through e-voting shall be treated as invalid.
2. The notice of Annual General Meeting is dispatch/ e-mailed to the members whose names appear on the Register of Members as on 9th August, 2014 and voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent/ dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.

Instructions for voting physically on Assent / Dissent Form

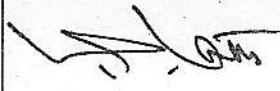
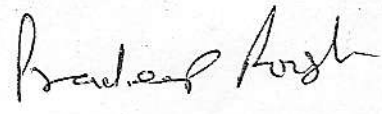
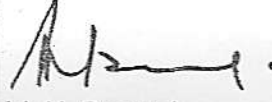

1. A member desiring to exercise vote by Assent/ Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e 6.00 pm on 23rd September, 2014 All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.) the completed Assent/ Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark () in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent/ Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A member may request for a duplicate Assent/ Dissent Form, if so required and the same duly completed should reach the Scrutinizer not later than the specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent/ Dissent form except giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent/ Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/ Dissent Forms will be rejected.

BOOK-POST

If undelivered, Please return to :

SUNIL INDUSTRIES LIMITED
D-8, MIDC, PHASE II, MANPADA ROAD,
DOMBIVLI (E), DIST. THANE - 421 203.

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

1.	Name of the Company	SUNIL INDUSTRIES LIMITED
2.	Annual Financial Statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified/Matter of Emphasis
4.	Frequency of Observation	Not Applicable
5.	To be Signed by-	
	<ul style="list-style-type: none"> • CEO/Managing Director 	 Mr. Vinod Lath
	<ul style="list-style-type: none"> • CFO 	 Mr. Pradeep Roongta
	<ul style="list-style-type: none"> • Auditor of the Company 	Audit Report dated 30th May 2014 On the financial statements of the Company For V.K.Beswal & Associates Chartered Accountants  V. K. Beswal Partner (Membership No. 030426)
	<ul style="list-style-type: none"> • Audit Committee Chairman 	 Mr Ravindra Kumar Gupta

