

42nd
ANNUAL REPORT
2017-2018



SUNIL INDUSTRIES LIMITED
(L99999MH1976PLC019331)

BOARD OF DIRECTORS

MR. VINOD LATH (DIN: 00064774)	: CHAIRMAN AND MANAGING DIRECTOR
MR. PRADEEP ROONGTA (DIN: 00130283)	: WHOLE-TIME DIRECTOR & CFO
MR. RAMESH KHANNA (DIN: 00130351)	: WHOLE-TIME DIRECTOR
MR. ROHIT GADIA (DIN: 02175342)	: INDEPENDENT DIRECTOR
MR. RAJESH TIBREWAL (DIN: 00130509)	: INDEPENDENT DIRECTOR
MRS. SHRUTI SARAF (DIN: 07521927)	: INDEPENDENT WOMAN DIRECTOR
MR. MOHD. IQBAL (DIN: 06908835) (Resigned as Director w.e.f 03 rd June, ,2017)	: INDEPENDENT DIRECTOR
MS. NEHA THANVI (ACS 50306) (Resigned from the post of Company Secretary w.e.f 11 TH May, ,2018)	: COMPANY SECRETARY

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, 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) - 421 203
Dist. Thane

BANKERS:

Standard Chartered Bank

STATUTORY AUDITORS

M/s. P R Agarwal & Awasthi,
Chartered Accountants

SECRETARIAL AUDITOR

HS Associates,
Company Secretaries

INTERNAL AUDITOR

H. Mehta & Co.,
Chartered Accountants, Mumbai

COST AUDITOR

M/s Shanker Chaudhary & Co.,
Cost Accountants

SHARE TRANSFER AGENTS

Link Intime India Private Limited.
Add.: C 101, 247 Park, L.B.S.Marg, Vikhroli (West),
Mumbai - 400083.

SHARES LISTED AT:**The Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

42nd ANNUAL GENERAL MEETING	
Date	: 27 th September, 2018
Day	: Thursday
Time	: 11.00 AM
Place	: D-8, MIDC Phase II, Manpada Road, Dombivli (East), Dist – Thane, 421-203

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SUNIL INDUSTRIES LIMITED

CIN No: L99999MH1976PLC019331

Reg Office: D 8 MIDC Phase II Manpada Road, Dombivli (East), Thane, Maharashtra-421203

Web: www.sunilgroup.com, Tel:0251-2870749

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 42nd ANNUAL GENERAL MEETING OF MEMBERS OF SUNIL INDUSTRIES LIMITED WILL BE HELD ON THURSDAY THE 27TH SEPTEMBER, 2018 AT 11.00 AM 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:

Item no. 1:

To receive, consider and adopt the Audited Financial Statements as on for the year ended 31st March 2018 and the Reports of the Directors and the Auditors thereon.

Item no. 2:

To appoint Mr. Pradeep Roongta, Whole Time Director (holding Din 00130283) who retires by rotation being eligible offers himself for re-appointment as Director.

SPECIAL BUSINESS:

Item no. 3:

APPROVAL OF REMUNERATION PAYABLE TO STATUTORY AUDITORS OF THE COMPANY FOR FINANCIAL YEAR 2018-19

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 139 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, M/S P R Agarwal & Awasthi, Chartered Accountants appointed as the Statutory Auditors of the Company for a period of 5 consecutive years by an ordinary resolution at Annual General Meeting held on 26th September, 2017 be and are hereby paid a maximum remuneration of Rs. 2,50,000/- p.a plus applicable taxes as payable as Statutory Audit Fees for the Financial year 2018 -19 for conducting the statutory audit of the Company”

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies.

Item no. 4:

RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR FOR FINANCIAL YEAR 2018-19

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 2018-19 at remuneration of Rs. 1,25,000/- p.a plus applicable taxes as paid to them be and is hereby ratified.”

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies.

Item no. 5: APPROVAL OF RELATED PARTY TRANSACTIONS UP TO THE MAXIMUM LIMITS AS SPECIFIED WITH THE RELATED PARTIES

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

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of Corporate Governance and any other applicable provisions of the Listing Obligation and Disclosure Requirements, Regulations, 2015 (including any amendment, modification(s) or re-enactment thereof), the consent of the members of the Company be and is hereby accorded for entering into transaction(s) with the following related party(ies) up to the maximum amount mentioned there against, in each financial year, for a period of five years on such terms and conditions as may be mutually agreed between the Company and the related party(ies):

Sr. No.	Applicable For Financial Year	Name of the Related Party	Nature of Transaction(s) (Singly or all taken together)	Maximum Value of the Transaction(s) per annum (Rs.in Crores)
1.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Sunil Fabrics Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
2.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Sunil Synthetics Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
3.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Vandana Textiles	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
4.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Eske Tex (India) Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
5.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Sunil Prints Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
6.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Sunil EXIM Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
7.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Sunil Bleaching Co. Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
8.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Apple Mines & Minerals Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50
9.	Specific approval for each financial year for a period of five years from FY 2018 – 19 to FY 2023-24	Rarefab Textiles Pvt Ltd	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	50

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all such acts, deeds, matters & things and to take such steps, settle any queries, difficulties, doubts that may arise with regard to any transaction(s) with the related party(ies) and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto

Item no. 6:

APPROVAL OF MAXIMUM AMOUNT FOR CREATION OF CHARGE ON THE ASSETS AND TO SELL, LEASE OR OTHERWISE DISPOSE OF THE WHOLE OR

SUBSTANTIALLY THE WHOLE OF THE UNDERTAKING IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 180 (1) (a) OF COMPANIES ACT, 2013

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

“**RESOLVED THAT** consent of shareholders of the company be and is hereby accorded, pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of

SUNIL INDUSTRIES LIMITED

the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 300 Crores (Rupees Three Hundred Crores only) at any time."

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized authorised to finalise with Banks/Financial Institutions the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution."

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."

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies"

Item no. 7:

APPROVAL FOR INCREASE IN BORROWING LIMITS IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 180 (1) (c) OF COMPANIES ACT, 2013

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

"RESOLVED THAT subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/entity/entities and/or authority/authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, bonds, commercial papers, short term loans or any other

instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves."

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies"

Item no. 8:

APPROVAL FOR MAKING INVESTMENT(S), LOANS, GUARANTEES AND SECURITY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF COMPANIES ACT, 2013

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

RESOLVED THAT pursuant to Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of anybody corporate or for giving loans, guarantees or providing securities to anybody corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores only), notwithstanding that such investment and acquisition together with the Company's existing investments, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions while making investment within the aforesaid limits as mentioned above including the power to transfer, lien and dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds and matters and things as may be required and expedient for implementing and giving effect to this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, any Director of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution.”

**ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED**

DATE : 14th August, 2018 **SD/-**
PLACE : DOMBIVLI **VINOD LATH**
MANAGING DIRECTOR &
CHAIRMAN
DIN NO: 00064774

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Statutory Auditors were appointed through vide an ordinary resolution at the Annual General Meeting held on 26th September, 2017 for a period of five consecutive years.

The Board, on the recommendation of the Audit Committee, at their meeting held on 14th August, 2018 has approved the maximum payable remuneration of Rs. 2,50,000/- p.a payable to M/S P R Agarwal & Awasthi, Chartered Accountants, the Statutory Auditors of the Company to conduct the statutory audit of of the Company for the financial year 2018 -19.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for remuneration payable to the Statutory Auditors for the financial year 2018 - 19.

The Board of Directors accordingly recommends the Resolutions set out at Item No. 4 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. 4

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 2016 -17.

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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2016 - 17.

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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2016 - 17.

The Board of Directors accordingly recommends the Resolutions set out at Item No. 4 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. 5

Section 188 of the Companies Act, 2013 read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribes the procedure for approval of related party transaction(s). The provisions of Corporate Governance as per listing obligation and Disclosure Requirements, Regulations 2015 also prescribes seeking of shareholders' approval for material related party transaction(s).

In terms of the provisions of Corporate Governance as per listing obligation and Disclosure Requirements, Regulations 2015, transaction(s) with a related party are considered material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Sunil Fabrics Private Limited; Sunil Synthetics Private Limited; Vandana Textiles; Eske Tex (India) Private Limited; Sunil Prints Private Limited; Sunil EXIM Private Limited; Sunil Bleaching Co. Private Limited; Apple Mines & Minerals Private Limited & Rarefab Textiles pvt ltd are “Related Party” within the provisions of Corporate Governance as per listing obligation and Disclosure Requirements, Regulations 2015

In terms of provisions of Corporate Governance as per listing obligation and Disclosure Requirements, Regulations 2015, all material Related Party Transaction(s) shall require the approval of the members through Ordinary Resolution and all entities/persons that are directly/indirectly related parties of the Company shall abstain from voting on such resolutions. Accordingly, the Promoter Group and all such related parties who are shareholders shall abstain from voting on this resolution for approval of material related party transactions

SUNIL INDUSTRIES LIMITED

The disclosures required to be made under the provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 are given herein below:

1. Nature of relationship: All the related parties mentioned in the table above are directly or indirectly controlled by the same management.
2. Name of the Director or Key Managerial Personnel who is related, if any: None of the Directors or Key Managerial Personnel is related.
3. Nature, material terms, monetary value and particulars of the contract or arrangement: As per Item no. 5 of this Notice.
4. Any other information relevant or important for the members to take a decision on the proposed resolution: The transactions are based on business requirements and are necessary for the smooth and efficient functioning of your Company.

Keeping in view the intent of the law, all transactions (irrespective of the nature of transactions) with a related party have been aggregated while applying threshold limits for seeking your approval.

The above contracts/arrangements/transactions were approved by the Audit Committee and the Board of Directors as the same are in the interest of the Company.

The Board of Directors recommends the Resolution set out in Item No. 5 of the accompanying notice for the approval by the unrelated shareholders of the Company. The Related parties to the extent applicable are concerned or interested financially or otherwise in the proposed resolution.

Item No. 6 & 7

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to Rs. 300 Crores (Rupees Three Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting. None of

the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution

None of the Directors, Key Managerial Personnel (KMP) and / or Relatives of Directors or KMP are concerned or interested financially or otherwise in the proposed Resolution.

Item No. 8

The Company from time to time, is required to make investments in securities of bodies corporate which includes Treasury Bills, Call Money Market, Term Deposit, Mutual Funds and Short Term Rated Papers, Treasury Bills, Call Money market, Term Deposit, Mutual Funds and Short Term Rated Papers or for giving loans, guarantees or providing securities to anybody corporate or another person.

In order to make investment(s) in excess of limits specified under section 186 of Companies Act, 2013 up to Rs. 300 Crores (Rupees Three Hundred Crores only) the Company requires approval from the shareholders in a general meeting. The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

The Board of Directors of the Company considers that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the special resolution in Item no. 8 as set out in the Notice.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution.

None of the Directors, Key Managerial Personnel (KMP) and / or Relatives of Directors or KMP are concerned or interested financially or otherwise in the proposed resolution.

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 for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- 3) Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
- 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 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.
- 7) 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
- 8) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from **Friday, 21st September, 2018 to Thursday, 27th September, 2018 (both days inclusive)**.
- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) In terms of Section 124 of the Companies Act, 2013 (corresponding to 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 (if any) are uploaded on the Company's website at <http://www.sunilgroup.com> for shareholders information.
- 16) Electronic copy of the Notice of the 42nd 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 42nd 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.
- 17) Members may also note that the Notice of the 42nd Annual General Meeting and the Annual Report for 2017-18 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 Mumbai 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: info@sunilgroup.com
- 18) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
- 19) Members are requested to send all communications relating to shares, bonds and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address: **Link Intime India Pvt. Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 .Tel: +91 22 49186270 Fax: +91 22 49186060**
- 20) Email: rnt.helpdesk@linkintime.co.in Website: <http://www.linkintime.co.in>
- If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).
- 21) 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 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):
- A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts votes

SUNIL INDUSTRIES LIMITED

by all the three modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.

The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again

22) In case of members receiving e-mail:

- (i) The voting period begins **on Monday, 24th September, 2018 at 9.00 am and ends on Wednesday, 26th September, 2018 at 5.00 pm.** 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 **Thursday, 20th September, 2018** 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 during the voting period.
- (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 had cast your vote earlier for EVSN of any company/entity, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (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. • 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. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
------	---

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 please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the EVSN selection screen.
- (xi) 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 on 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (xiii) Click on the **180820059** EVSN number of Sunil Industries Limited on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the

changed password, then enter the User ID and image verification code/Captcha Code and click on Forgot Password & enter the details as prompted by the system.

- (xx) For Non – Individual Shareholders, Custodians and Institutional Shareholders:
- 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 Sr. no. (i) To Sr. no. (xix) above, to cast vote

Other Instructions

- (A) 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.
- (B) 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).
- (C) 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.
- (D) 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
- (E) 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 **Thursday, 20th September, 2018.**

- (F) Mr. Hemant Auti, Partner of M/s HS Associates, Practicing Company Secretaries (Membership No. ACS 51703 and COP 20786) has been appointed as the Scrutinizer to scrutinize voting process for the Annual General Meeting in a fair and transparent manner.
- (G) The Scrutinizer shall within a period not exceeding two (2) days from the conclusion of the Annual General Meeting shall 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
- (H) 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 BSE Limited.
- (I) 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 Auti, Partner of HS Associates, Practicing Company Secretaries, at the Registered office of the Company not later than **Wednesday, 26th September, 2018(5.00 pm IST)**
- (J) Ballot Form received after this date will be treated invalid.
- (K) 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.

23) 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 (9.00 am to 5.00 pm)** on all working days, up to and including the date of the Annual General Meeting of the Company.

24) 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.

**ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED
SD/-**

DATE : 14th August, 2018

VINOD LATH

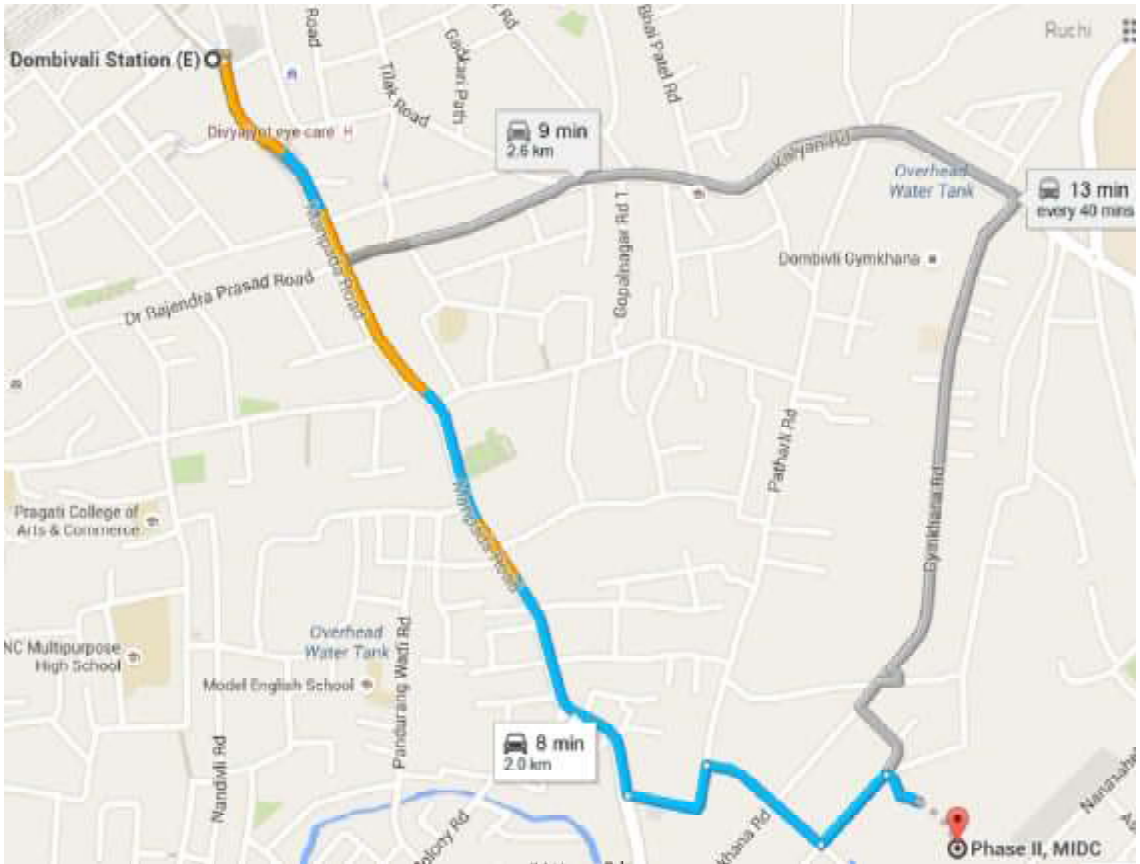
PLACE : DOMBIVLI

MANAGING DIRECTOR

& CHAIRMAN

DIN NO: 00064774

Route Map of Annual General Meeting



Landmark: MIDC

Distance from Dombivli Railway Station: 2 Km

**DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR FINANCIAL YEAR ENDED 31ST MARCH, 2018**

To,
The Members
SUNIL INDUSTRIES LIMITED
DOMBIVLI

Your Directors have great pleasure in presenting **42nd Annual Report** along with the Audited Balance Sheet and Profit and Loss Account for the year ended on **31st March, 2018**

1) FINANCIAL RESULTS

The financial Results are briefly indicated below:

(Amt in `)

PARTICULARS	For the year ended on	
	31 st March, 2018	31 st March, 2017
Total Income	154,02,11,612	143,54,78,702
Total Expenditure	151,77,74,349	141,41,23,674
Net Profit/(Loss) before Tax	2,24,37,263	2,13,55,028
Provision for Tax	79,21,355	59,29,458
Net Profit/(Loss) after Tax	1,45,15,928	1,54,25,570
Profit/(Loss) b/f previous year	9,75,83,752	8,21,58,182
Balance c/f to Balance Sheet	11,20,99,680	9,75,83,752

2) TRANSFER TO RESERVES

There are no transfers to any specific reserves during the Financial year.

3) REVIEW OF OPERATIONS

During the year ended 31st March, 2018, your Company reported total Income of Rs. 154,02,11,612/- which in comparison to previous year's figures have increased by approximately 7.30 %, this is due to sustained efforts of the management to increase the overall productivity and sales . The Net Profit after tax is Rs. 1,45,15,928/- as compared to Rs. 1,54,25,570/-in previous year marking a reduction of approximately 6 % which is primarily due to increase of Taxes and impact of other financial factors.

4) DIVIDEND

In order to conserve the reserves for a sustainable future, your Company do not recommend dividend for the financial year 2017-18.

5) FUTURE PROSPECTS

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

6) THE CHANGE IN THE NATURE OF BUSINESS, IF ANY;

There is no change in the nature of business of the Company.

7) TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unpaid dividends pending of the Company.

8) CONSERVATION OF ENERGY-TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE ETC.

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is **Annexure A** to Director's Report.

9) STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed and also discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

10) INTERNAL CONTROL SYSTEM

The Company's internal controls system has been established on values of integrity and operational excellence and it supports the vision of the Company "To be the most sustainable and competitive Company in our industry". The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

SUNIL INDUSTRIES LIMITED

11) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135 of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

12) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of investment made under Section 186 of the Companies Act, 2013 have been disclosed in the financial statements in Note 3 of the Financial Statement.

The particulars of loans made under Section 186 of the Companies Act, 2013 have been disclosed in the financial statements in Note 9 of the Financial Statement.

The Company has given not given any loans falling under section 185 and 186 of the Companies Act 2013 nor has it provided any Corporate Bank guarantee.

13) PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, transactions are being reported in Form AOC-2 i.e. **Annexure B** in terms of Section 134 Companies (Accounts) Rules, of the Act read with Rule 8 of the 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards as applicable to the Company.

All Related Party Transactions are presented to the Audit Committee and the Board and wherever forecasted Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.sunilgroup.com

14) POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the employees of the Company.

15) EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

The auditor's report does not contain any qualifications, reservations or adverse remarks, but secretarial Audit Report contains qualifications pursuant to Section 203 of Companies Act, 2013 towards non-appointment of Company Secretary and regulations 31 (2) of Listing Obligation and Disclosure Requirements, Regulations 2015 for Dematerialization of Promoters shareholding; section 129 of Companies Act, 2013 for Presentation of Certain items in the Financial Statements of the Company. The company would like to inform that Promoters being distant relatives of each other are scattered all over and hence it is very difficult to convert each promoter's physical holding into demat, however the company is in the process for conversion of the same as per regulations 31 (2) of LODR. Further the Company has Appointed Company Secretary on 22nd August, 2017 thus Complying with provisions of Section 203 of the Act, Further it states that the certain Disclosures as per section 129 of the Act are disclosed in rather different presentation and stated in the Financial Statements.

The Report of the secretarial auditor in MR-3 is given as an annexure which forms part of this report.

16) ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished as **Annexure C** to Director's Report,

17) NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the financial year, the Board had met **Eight (8)** times on **30.05.2017; 07.06.2017; 14.08.2017; 22.08.2017; 14.09.2017; 14.11.2017; 13.12.2017 and 14.02.2018.**

18) DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 The Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- (ii) That the selected accounting policies were applied consistently and the Directors 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 as at March 31, 2018, and that of the profit of the Company for the year ended on that date.

- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts have been prepared on a going concern basis.
- (v) The Board has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19) DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

20) PARTICULARS OF EMPLOYEES AND MEDIAN REMUNERATION

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Ratio to median Remuneration Non-executive directors
Mr. Rohit Gadia	NA
Mr. Mohd. Iqbal	NA
Mr. Rohit Gadia	NA
Mrs. Shruti Saraf	NA
Executive directors	
Mr. Vinod Lath	8.1:1
Mr. Pradeep Roongta	8.1:1
Mr. Ramesh Khanna	8.6:1
Company Secretary	
Ms. Neha Thanvi	1.8:1

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary increase in remuneration in the financial year	
Mr. Rohit Gadia	NA
Mr. Rajesh Tibrewal	NA
Mr. Mohd. Iqbal	NA
Mrs. Shruti Saraf	NA
Mr. Vinod Lath	NO Increase from last year
Mr. Pradeep Roongta	NO Increase from last year
Mr. Ramesh Khanna	98.75%
Ms. Neha Thanvi	100% (since 1 st year of appointment)

c. The median remuneration for the year 2017-18 is Rs 1,48,134 /-

d. The percentage increase/(Decrease) in the median remuneration of employees in the financial year: (32.17%)

e. The number of permanent employees on the rolls of Company: 38

f. The explanation on the relationship between average increase in remuneration and Company Performance:

On an average, employees received an annual increase of 5%

The increase in remuneration is in line with the market trends prevalent in the Economy. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

g. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY 31.03.2018

Revenue	Rs. 153,54,88,117/-
Remuneration of KMPs (as a % of revenue)	0.10%
Profit before Tax (PBT)	Rs. 2,24,37,263/-
Remuneration of KMP (as a % of PBT)	6.47%

h. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2018	March 31, 2017	% Change
Market Capitalisation	14,42,70,000	14,34,30,000	0.58 %
Price Earnings Ratio	9.93 : 1	9.31 : 1	6.66%

i. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2018	IPO	% Change
Market Price (BSE)	34.35	30.00	14.50%

SUNIL INDUSTRIES LIMITED

- j. **Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around **(32.17%)**

There Increase in the managerial remuneration for the relevant year as compared to previous year is **26.60%**

- k. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	Mr. Vinod Lath (Managing Director)	Mr. Pradeep Roongta (Whole-Time Director & CFO)	Mr. Ramesh Khanna (Whole-Time Director)
Remuneration in 2018	1200000	1200000	1276000
Revenue : 153,54,88,118			
Remuneration as % of revenue	0.08	0.08	0.05
Profit before Tax (PBT): 2,24,37,263			
Remuneration as % of Profit before Tax	5.62	5.62	3.00

- l. **The key parameters for any variable component of remuneration availed by the directors:**
There are no variable components of remuneration provided to the Directors
- m. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**
None
- n. **Affirmation that the remuneration is as per the remuneration policy of the Company:**
The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on 14TH February, 2018 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: www.sunilgroup.com.
- o. **The statement containing particulars and remuneration paid to employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company since there are no employees drawing remuneration in excess of the prescribed limits and hence not disclosed in the Report.**

21) **BOARD OF DIRECTORS**

The Board of Directors of the Company is duly constituted as per the applicable provisions of the Companies Act, 2013 and that of the Listing Obligations and Disclosure Requirements, Regulations 2015.

- Mr. Rajesh Tibrewal was appointed as an Additional Director on 22nd August, 2017 and was duly ratified as a Directors at the AGM held on 26th September, 2017.
- Mr. Pradeep Roongta is liable to retire by rotation in this 42nd Annual General Meeting and being eligible he has offered himself for reappointment as Director.
- Mr. Mohd. Iqbal resigned from the post of Independent Director of the Company with effect from close of business hours on 03rd June, 2017

22) **ATTRIBUTES, QUALIFICATIONS & INDEPENDENCE OF DIRECTORS, THEIR APPOINTMENT AND REMUNERATION**

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and The Policy also lays down the positive attributes/ criteria while recommending the candidature for the appointment as Director.

23) **DECLARATION OF INDEPENDENT DIRECTORS**

Tour Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149 of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1)(b) of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

24) **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The familiarization programme aims to provide Independent Directors with the Textile industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is posted on Company's website at www.sunilgroup.com along with the Familiarization programme for F.Y 2017-18 along with the hours spent on the Programme.

25) **STATUTORY AUDITORS**

P R Agarwal & Awasthi, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide firm registration no 117940W were appointed as Statutory Auditors in place of retiring Auditors M/s V. K Beswal & Associates at the Annual General Meeting held on Tuesday, 26th September, 2017 for the period of three (5) years. i.e. upto the Annual General Meeting to be held in year 2022 subject to ratification by the shareholders of the Company at each Annual General Meeting thereafter.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every

AGM has been omitted and hence your Company has not proposed ratification of appointment of Statutory Auditors at the forthcoming AGM.

The Company has received letter from them to the effect that their appointment is valid and within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

The resolution for approval for payment of remuneration is put forward for your approval in the ensuing Annual General Meeting.

26) 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 31st March, 2018. 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.

27) INTERNAL AUDITORS

The company had appointed H. Mehta & Co., Chartered Accountants, Mumbai, as internal auditor of the company for financial year 2017-18.

28) SECRETARIAL AUDITOR

The Company has appointed M/s HS Associates, Company Secretaries, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the Financial Year 2017-18 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. The report of secretarial Auditor is appended to this report as **Annexure D** to Director's Report.

29) MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, is annexed to this Annual Report

30) CORPORATE GOVERNANCE

The Company is committed towards maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under regulation 34 (3) and Part C of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 forms part of the Annual Report. The Certificate from the practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under regulation 34 (3) and Part E of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 is also published in this Annual Report

31) SUBSIDIARY JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have any subsidiary, joint venture or associate company and therefore provision with respect to Section 129 of the Companies Act, 2013 are not applicable to the Company.

32) REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance as stipulated under regulation 34 (3) and Part C of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 prepared by HS Associates, Company Secretaries, forms part of the Annual Report and is annexed hereto as **Annexure E**.

33) DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members

Mr. Rajesh Tibrewal	Chairman
Mr. Rohit Gadia	Member
MS. Shruti Saraf	Member
Mr. Pradeep Roongta	Member

The above composition of the Audit Committee consists of independent directors, viz., Mr. Rajesh Tibrewal and Mr. Rohit Gadia and Ms. Shruti Saraf, who form the majority.

The composition of the Committee was changed pursuant to resignation and appointment of Directors.

The Company has established a vigil mechanism policy to oversee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to Audit committee on reporting issues concerning the interests of co-employees and the Company. The Vigil Mechanism Policy is available at the website of the company: www.sunilgroup.com

34) ANNUAL EVALUATION BY THE BOARD

In compliance with the Companies Act, 2013, and Regulation 17 of the Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year under review. More details on the same are given in the Corporate Governance Report.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations

SUNIL INDUSTRIES LIMITED

- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests
- vi. The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

35) MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have being no material changes and commitments affecting the financial position of the Company occurred during the financial year.

36) THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there has been no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future. However, the company had received preliminary observation letter on 18th July, 2017 from the Office of Regional Director, Western Region (Registrar of Companies) pursuant to section 206(5)/207 of Companies Act, 2013 to which the Company duly replied on 25th July, 2017 with the necessary information. Further in contention with the same the Company has filed for Compounding of offences under section 441 of the Companies Act, 2013 and as on the date of this report no order has been passed by the applicable Authorities hence the Management is unable ascertain the material impact on going concern status of the Company and its operations in future.

37) COMMITTEES OF THE BOARD

As per the applicable provisions of the Companies Act, 2013 and as per Corporate Governance provisions as per Listing Obligations & Disclosure requirements (LODR) Regulations, 2015, the company has three Committees of the Board.

There are currently three Committees of the Board, as follows:

- . Audit Committee
- . Nomination and Remuneration Committee
- . Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Corporate Governance Report" forms a part of this Annual Report in **Annexure E**

38) COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

Your Directors hereby confirm that the Company has complied with the necessary provisions of the Secretarial Standard 1 and Secretarial Standard 2 and revised Secretarial Standard 1 and Secretarial Standard 2 w.e.f from 01st October, 2017, to the extent applicable to the Company.

39) POLICIES

The Company seeks to Promote Highest levels of ethical standards in the normal business transaction guided by the value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, mandates formulation of certain policies for Listed Companies. The Policies are reviewed periodically by the Board and are updated based on the need and compliance as per the applicable laws and rules and amended from time to time. The policies are available on the website of the Company at www.sunilgroup.com.

40) 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.

Pursuant to Regulation 27 of (Listing Obligation and Disclosure Requirements), Regulations 2015, report on Corporate Governance is given in **Annexure E**

41) CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices of Raw Materials, Finished Goods, input availability and prices, changes in government regulations, tax laws, economic developments within and outside the country and other various other factors.

42) 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 also sincerely thank the shareholders for the confidence reposed by them in the company and from the continued support and co-operation extended by them

**ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED
SD/
VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774**

DATE : 14th AUGUST, 2018
PLACE : DOMBIVLI

ANNEXURE-"A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Information pursuant to the Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY:

In line with the company's commitment towards conservation of energy, all units continue with their endeavor to make more efficient use of energy through improved operational and maintenance practices. The measures taken in this direction at the units are as under:

- Replaced inefficient motors with energy efficient motors;
- Installed power factor capacitor banks to save energy;
- Heat recovery from CRP hot water to boiler feed;
- Increase in temperature of feed water for saving on coal consumption in boilers;
- Shades were covered by installing Natural ventilation equipment;
- Made use of waste water generated by cooling coil moisture;
- Trimming of impellers to save on power consumption in chilled water pumps;

31/03/2018 31/03/2017

A. POWER & FUEL CONSUMPTION

1. Electricity

a) Purchased

Units (in lakhs) (in kwh)	36.84	31.60
Amount in Rs. (in lakhs)	249.51	229.87
Rate per Unit (in Rs.)	6.77	7.27

B. CONSUMPTION PER UNIT OF PRODUCTION

Fabrics (kwh/meter)	0.18	0.21
---------------------	------	------

(B) TECHNOLOGY ABSORPTION : Regarding Research and development and technology absorption is not enclosed due to the fact that there is at present no scope for R&D and absorbing any new technology in view of type of product which is accepted by the customers. However, your company shall certainly go for it in future if any new development in technology takes place.

(C) RESEARCH AND DEVELOPMENT : Regarding Research and development and technology absorption is not enclosed due to the fact that there is at present no scope for R&D and absorbing any new technology in view of type of product which is accepted by the customers. However, your company shall certainly go for it in future if any new development in technology takes place.

Research and Development (R & D) 31/03/2018 31/03/2017

Expenditure on (R & D)	Nil	Nil
------------------------	-----	-----

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO : The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual out flows are as under

Particulars	31/03/2018 in Lakhs	31/03/2017 in Lakhs
Foreign exchange Earnings (FOB Value of Exports)	—	—
Foreign Exchange outgo:		
Cloth imported (Purchased)	29.56	—
Stores Imported (CIF Value)	1.24	366.58
Foreign travel	—	—

ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED

SD/-

DATE : 14th AUGUST, 2018
PLACE : DOMBIVLIVINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774

SUNIL INDUSTRIES LIMITED

ANNEXURE B TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies(Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by Sunil Industries Limited with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:						
(a)	Name(s) of the related party and nature of relationship	NIL				
(b)	Nature of contracts/arrangements/transactions					
(c)	Duration of the contracts / arrangements/transactions					
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any					
(e)	Justification for entering into such contracts or arrangements or transactions					
(f)	date(s) of approval by the Board					
(g)	Amount paid as advances, if any					
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188					
2. Details of material contracts or arrangement or transactions at arm's length basis						
(a)	Name(s) of the related party and nature of relationship	Rarefab Textiles Pvt Ltd	Eske Tex India Pvt Ltd	Vandana Textiles	Mrs. Beena Roongta	Mr. Prateek Roongta
(b)	Nature of contracts/arrangements/ transactions	Purchase of Goods	Purchase of Goods	Leasing of Property	Salary paid	Salary paid
(c)	Duration of the contracts / arrangements/transactions	12 months	12 months	12 Months	12 Months	12 Months
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 16,88,56,000 per annum	Rs. 7,63,22,000 per annum	Rs. 6,05,000 per annum	Rs. 8,40,000 per annum	Rs. 6,00,000 per annum
(e)	Date(s) of approval by the Board, if any:	30 th May, 2017	30 th May, 2017	30 th May, 2017	30 th May, 2017	30 th May, 2017
(f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL

**ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED**

SD/-

DATE : 14th AUGUST, 2018
PLACE : DOMBIVLI

VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774

ANNEXURE C TO THE DIRECTOR'S REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L99999MH1976PLC019331
ii	Registration Date	19/11/1976
iii	Name of the Company	SUNIL INDUSTRIES LIMITED
iv	Category/Sub-Category of the Company	Public Company
v	Whether listed Company (Yes/No)	Yes
vi	Address of the Registered Office and contact details	D/8, M.I.D.C., Phase II, Manpada Road, Dombivli (East), Thane – 421203 Tel : 0251-2870749 , Fax – 0251-2870749, Email - info@sunilgroup.com
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 .Tel: +91 22 49186270 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: http://www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product	% to total turnover of the Company
1.	Finished Textile Products	1313	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ of the Company	% of Shares held	Applicable Section
NOT APPLICABLE					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (1 st April, 2017)				No. of Shares held at the end of the year (31 st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1077300	83600	1160900	27.64	1077300	83600	1160900	27.64	0
b) Central Govt.	0	0	0	0	0	0	0	0	-
c) State Govt(s).	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	974600	317500	1292100	30.76	974600	317500	1292100	30.76	0
e) Bank/ FI	0	0	0	0	0	0	0	0	-
f) Any Other	0	0	0	0	0	0	0	0	-
Sub-Total (A)(1)	2051900	401100	2453000	58.40	2051900	401100	2453000	58.40	0

SUNIL INDUSTRIES LIMITED

(2) Foreign	0	0	0	0	0	0	0	0	0	-
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0	-
b) Other-Individuals	0	0	0	0	0	0	0	0	0	-
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	-
d) Bank/ FI	0	0	0	0	0	0	0	0	0	-
e) Any Other	0	0	0	0	0	0	0	0	0	-
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0	-
Total shareholding of Promoter (A) (A)(1) + (A)(2)	2051900	401100	2453000	58.40	2051900	401100	2453000	58.40	0	
B. Public Shareholding										
1. Institutions										-
a) Mutual Funds	0	4800	4800	0.11	0	4800	4800	0.11	-	-
b) Bank/ FI	18000	300	18300	0.43	0	300	300	0.01	(98.36)	
c) Central Govt.	0	0	0	0	0	0	0	0	0	-
d) State Govt(s).	0	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	0	-
Sub-Total (B)(1)	18000	5100	23100	0.55	0	5100	5100	0.12	(77.92)	
2. Non- Institutions	0	0	0	0	0	0	0	0	0	-
a) Bodies Corp.	12300	155500	167800	3.99	29500	155100	184600	4.39	10.01	
i) Indian	0	0	0	0	0	0	0	0	0	-
ii) Overseas	0	0	0	0	0	0	0	0	0	-
b) Individuals	0	0	0	0	0	0	0	0	0	-
i) Individual shareholders holding nominal share capital upto ` 2 lakh	124600	1003500	1128100	26.86	152000	969300	1121300	26.70	(0.60)	
ii) Individual shareholders holding nominal share capital in excess of ` 2 lakh	40000	90800	130800	3.11	78200	90800	169000	4.02	29.20	
c) Others (specify)	0	0	0	0	0	0	0	0	0	-
(c-i) HUF	38000	0	38000	0.90	11500	0	11500	0.27	(69.74)	
(c-ii) CLEARING MEMBER	900	0	900	0.21	400	0	400	00.1	(55.55)	
(c-iii) OFFICE BEARERS	0	11900	11900	0.28	0	11900	11900	0.28	-	
(c-iv)NON RESIDENT INDIANS (REPAT & NON- REPAT)	4200	242200	246400	5.87	4000	239200	243200	5.79	(1.29)	
Total Public shareholding (B) (B)(1) + (B)(2)	238000	1509000	1747000	41.60	275600	1471400	1747000	41.60	-	
A. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	2289900	1910100	4200000	100	2327500	1872500	4200000	100	-	

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sunil Exim Pvt Ltd	344900	8.21	-	344900	8.21	-	-
2	Saroj Vinod Lath	335200	7.98	-	335200	7.98	-	-
3	Rajshree Fiscal Services Ltd	317500	7.56	-	317500	7.56	-	-
4	Vinod Gajanand Lath	3,22,200	7.67	-	3,22,200	7.67	-	-
5	Laxmikant Lath	235600	5.61	-	235600	5.61	-	-
6	Sunil Prints Pvt Ltd	204400	4.87	-	204400	4.87	-	-
7	Sunil Fabrics Pvt Ltd	161000	3.83	-	161000	3.83	-	-
8	Sunil Synthetic Pvt Ltd	136100	3.24	-	136100	3.24	-	-
9	Eske-Tex India Pvt Ltd	128200	3.05	-	128200	3.05	-	-
10	Vinod Gajanand Lath HUF	69500	1.65	-	69500	1.65	-	-
11	Vandana Laxmikant Lath	54400	1.30	-	54400	1.30	-	-
12	Pradeep Roongta	13600	0.32	-	13600	0.32	-	-
13	Beena P Roongta	12800	0.30	-	12800	0.30	-	-
14	Ratan Lath	10900	0.26	-	10900	0.26	-	-
15	Leena J Salot	10000	0.24	-	10000	0.24	-	-
16	Ramashankar Lath	9600	0.23	-	9600	0.23	-	-
17	Bhavesh Hasmukhlal Mehta	5000	0.12	-	5000	0.12	-	-
18	Chandra kumar K Jain	5000	0.12	-	5000	0.12	-	-
19	Prakash Raichand Shah	5000	0.12	-	5000	0.12	-	-
20	Kamal Kumar Choudhary	4400	0.10	-	4400	0.10	-	-
21	Raj Jaisingh	4400	0.10	-	4400	0.10	-	-
22	Kamaluddin Essabhai Vastani	4400	0.10	-	4400	0.10	-	-
23	Nalini P Kapoor	4000	0.10	-	4000	0.10	-	-
24	Deepak Lath	4200	0.10	-	4200	0.10	-	-
25	Satyanarayan Khyalidutt Lath	3200	0.08	-	3200	0.08	-	-
26	Ashok S Maheshwari	36600	0.87	-	36600	0.87	-	-
27	Jagadish Kumar Sanwalka	3200	0.08	-	3200	0.08	-	-
28	Payal P Kapoor	2000	0.05	-	2000	0.05	-	-
29	Jugal kishor Tela	1500	0.04	-	1500	0.04	-	-
30	Pushpadevi J Sanwalka	1500	0.04	-	1500	0.04	-	-
31	Vinod Dharnidharka	1000	0.02	-	1000	0.02	-	-
32	Chandraprakash Singhania	700	0.02	-	700	0.02	-	-
33	Preeti Lath	400	0.01	-	400	0.01	-	-
34	Jyoti Lath	300	0.01	-	300	0.01	-	-
35	Mahesh Tibrewal	200	0.00	-	200	0.00	-	-
36	Bindudevi Lath	100	0.00	-	100	0.00	-	-
	TOTAL	2453000	58.40	-	2453000	58.40	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (1 ST April, 2017)		Cumulative Shareholding during the year (31 ST March, 2018)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Not applicable					

SUNIL INDUSTRIES LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year- 1 st April, 2017		Transactions during the year		Shareholding at the end of the year- 31 st March, 2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of shares	No. of shares	% of total shares of the company
1.	Abhishek Lath At the end of the year	55800	1.33			55800	1.33
2.	Mahendra Girdharilal Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer At the end of the year	12500	0.2976	03 Nov 2017 10 Nov 2017 17 Nov 2017 01 Dec 2017 08 Dec 2017 15 Dec 2017 22 Dec 2017 29 Dec 2017 05 Jan 2018	500 7000 2400 8300 1100 2000 9500 1200 1000	12500 13000 20000 22400 30700 31800 33800 43300 44500 45500 45500	0.2976 0.3095 0.4762 0.5333 0.7310 0.7571 0.8048 1.0310 1.0595 1.0833 1.0833
3	Monotona Securities Ltd At the end of the year	35000	0.83			35000	0.83
4	Mita D Doshi At the end of the year	35000	0.83			35000	0.83
5	Shell Securities Ltd At the end of the year	34900	0.83			34900	0.83
6	Dheeraj Kumar Lohia Transfer Transfer Transfer Transfer At the end of the year	0	0.0000	23 Feb 2018 02 Mar 2018 16 Mar 2018 23 Mar 2018 31 Mar 2018	8000 1500 15300 7600 300	0 8000 9500 24800 32400 32700 32700	0.0000 0.1905 0.2262 0.5905 0.7714 0.7786 0.7786
7	Pawan Kaushik At the end of the year	32500	0.77			32500	0.77
8	Raj Kaushik At the end of the year	32500	0.77			32500	0.77
9	Krishnamurthy Vaidyanathan At the end of the year	30500	0.73			30500	0.73
10	Sanjay Kumar Khandelwal At the end of the year	20000	0.48				0.48
11	Satya Prakash Mittal Transfer At the end of the year	40000	0.9524	05 May 2017 07 Jul 2017 14 Jul 2017 17 Nov 2017 24 Nov 2017 01 Dec 2017 08 Dec 2017 15 Dec 2017 22 Dec 2017 29 Dec 2017 05 Jan 2018 12 Jan 2018 26 Jan 2018 16 Feb 2018 23 Feb 2018 02 Mar 2018 09 Mar 2018 16 Mar 2018 23 Mar 2018	(100) (100) (100) (2000) (300) (3100) 100 (2100) (8000) (1600) (1000) (2900) 100 (2100) (4200) (900) (1100) (6100) (2500)	40000 39900 39800 39700 37700 37400 34300 34400 32300 24300 22700 21700 18800 18900 16800 12600 11700 10600 4500 2000 2000	0.9524 0.9500 0.9476 0.9452 0.8976 0.8905 0.8167 0.8190 0.7690 0.5786 0.5405 0.5167 0.4476 0.4500 0.4000 0.3000 0.2786 0.2524 0.1071 0.0476 0.0476

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year-1 st April, 2017		Transactions during the year		Shareholding at the end of the year-31 st March, 2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of shares	No. of shares	% of total shares of the company
12	GIRISH GULATI (HUF) .	30100	0.7167			30100	0.7167
	Transfer			07 Apr 2017	(5000)	25100	0.5976
	Transfer			28 Apr 2017	(1400)	23700	0.5643
	Transfer			16 Jun 2017	(14500)	9200	0.2190
	Transfer			23 Jun 2017	(4200)	5000	0.1190
	Transfer			07 Jul 2017	(1100)	3900	0.0929
	Transfer			14 Jul 2017	(1200)	2700	0.0643
	Transfer			21 Jul 2017	(1200)	1500	0.0357
	Transfer			15 Sep 2017	(200)	1300	0.0310
	Transfer			22 Sep 2017	(500)	800	0.0190
	Transfer			10 Nov 2017	(800)	0	0.0000
	At the end of the year					0	0.0000

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vinod Lath	322000	7.82	322000	7.82
2.	Pradeep Roongta	13600	0.32	13600	0.32
3.	Ramesh Khanna	Nil	Nil	Nil	Nil
4.	Rohit Gadia	Nil	Nil	Nil	Nil
5.	Rajesh Tibrewal	Nil	Nil	Nil	Nil
6.	Shruti Saraf	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	39038520	131654002	—	170692522
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	39038520	131654002	—	170692522
Change in Indebtedness during the financial year				
· Addition	766633	—	—	766633
· Reduction	(7011152)	(21854901)	—	(28866053)
Net Change	(6244519)	(21854901)	—	(28099420)
Indebtedness at the end of the financial year				
i) Principal Amount	32794001	109799101	—	142593102
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	32794001	109799101	—	142593102

SUNIL INDUSTRIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Vinod Lath- Managing Director	Praddep Roongta- Whole Time Director & CFO	Ramesh Khanna Whole Time Director	
1.	Gross Salary	12,00,000	12,00,000	12,76,000	36,76,000
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - As % of Profit - Others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total (A)	12,00,000	12,00,000	12,76,000	36,76,000
	Ceiling as per the Act	60,00,000	60,00,000	60,00,000	1,80,00,000

B. Remuneration of other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Rohit Gadia – Independent Director	Rajesh Tibrewal Independent Director	Shruti Saraf- Independent Woman Director (Independent Director)	
.	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
.	Commission	Nil	Nil	Nil	Nil
.	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED
SD/-

DATE : 14th AUGUST, 2018
PLACE : DOMBIVLI

VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774

Annexure D to Director's Report

Secretarial Audit Report

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2018.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sunil Industries Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited
- VI. The Management has identified and confirmed the Sector Specific Laws as applicable to the Company being in Textile Sector as given in **Annexure – 2**.

We have also examined compliances with the applicable clauses of the following:

- i. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India along with revised Secretarial Standards 1 and 2 as Issued by The Institute of Company Secretaries of India with effect from October 1st, 2017.
- ii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, and Guidelines, mentioned above subject to the following observation.

1. **The Company has not Dematerialized 100 % of Shareholding of Promoter and Promoter Group as per Regulation 31 (2) of Listing Obligation and Disclosure requirements, Regulations 2015**
2. **The Company did not appoint Company Secretary for the period from 01st April, 2017 to 21st August, 2017.**
3. **The Financial Statements of the Company are in general in compliance with disclosure and presentations aspects pursuant to section 129 read with schedule III of Companies Act, 2013 for the period of Audit.**

We further report that:

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

SUNIL INDUSTRIES LIMITED

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

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

We further report that during the audit period the company has:

1. Appointed M/S P R Agarwal & Awasthi Chartered Accountants, Mumbai (FRN 117940W), Chartered Accountant as a statutory Auditors of the Company for a period of 5 Years at the Annual General Meeting of the Company held on 26th September, 2017.
2. Ratified payment of Remuneration payable to Cost auditors for FY 2017-18 at the Annual General Meeting of the Company held on 26th September, 2017.
3. Approved Related party transactions up to a maximum limit of Rs. 20 crores with each related party at the Annual General Meeting of the Company held on 26th September, 2017.
4. Ratified Appointment of Mr. Rajesh Tibrewal (DIN 00130509) as Independent Director of the Company for a period of Five years at the Annual General Meeting of the Company held on 26th September, 2017.
5. Approved Service of Documents by Particular Mode of Delivery at the Annual General Meeting of the Company held on 26th September, 2017.
6. Appointed Company Secretary w.e.f from 22nd August, 2017, however as on the date of signing this report the Company Secretary has resigned from her pos w.e.f 11th May, 2018.
7. Mr. Mohd. Iqbal resigned from the post of Independent Director of the Company with effect from close of business hours on 03rd June, 2017
8. the company received a preliminary observation letter on 18th July, 2017 in contention with the Inspection notice from the Office of Regional Director, Western Region (Registrar of Companies) pursuant to section 206(5)/207 of Companies Act,2013 to which the Company suitably replied on 25th July, 2017. Further in contention with the same the Company has filed for Compounding of offences under section 441 of the Companies Act, 2013 and as on the date of this report no order has been passed by the appropriate Authorities

**For HS Associates
Company Secretaries**

Sd/-

Date : 14th August, 2018.

Place : Mumbai

**Prasad Chavan
Partner**

FCS No.: 49921

CP No.: 20415

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

Annexure I

To,
The Members,
Sunil Industries Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For HS Associates
Company Secretaries**

Sd/-

**Date : 14th August, 2018.
Place : Mumbai**

**Prasad Chavan
Partner
FCS No.: 49921
CP No.: 20415**

Annexure - 2

Sector Specific Laws as applicable and identified by the Company being in Textile Industry

1. Industries (Development and Regulation) Act, 1951.
2. Consumer Protection Act, 1986.
3. Factories Act, 1948.
4. Industrial Disputes Act, 1947
5. Pollution Prevention and Control Act 1999.

**For HS Associates
Company Secretaries**

Sd/-

**Date : 14th August, 2018.
Place : Mumbai**

**Prasad Chavan
Partner
FCS No.: 49921
CP No.: 20415**

**ANNEXURE E TO THE DIRECTORS REPORT
CORPORATE GOVERNANCE REPORT**

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Corporate Governance regulations were issued by Security and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015). 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.

2. BOARD OF DIRECTORS:

a) Composition and Category of Board of Directors

- The Board of the Company comprised of 6 (Six) Directors as on March 31, 2018 out of which 1 (One) is Managing Director, 2 (Two) are Whole Time Directors, 2 (Two) are Independent Non-Executive Directors and 1 (One) Women Non-Executive Independent Director of the Company.
- There are no nominee or Institutional Directors in the Company.
- 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 or she is a Director.

b) Details of attendance of each director at the meeting of the board of Directors and the last Annual General Meeting

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	No. of Other Committee membership in other Companies
1.	Mr. Vinod Lath	Chairman & Managing Director	8	Yes	Nil	Nil
2	Mr. Pradeep Roongta	Whole Time Director	8	Yes	Nil	Nil
3	Mr. Ramesh Khanna	Whole Time Director	8	Yes	Nil	Nil
4.	Mr. Rajesh Tibrewal	Independent & Non-Executive Director	5	Yes	Nil	Nil
5.	Mr. Rohit Gadia	Independent and Non Executive Directors	8	Yes	Nil	Nil
6.	Mrs. Shruti Saraf	Woman Independent Non-Executive Director	8	Yes	Nil	Nil
7.	Mr. Mohd. Iqbal (Resigned with Effect from 03.06.2018)	Independent & Non-Executive Director	1	NA	Nil	Nil

* Directorship only of public limited company is considered

c) Number of other board of directors or committees in which a Directors is a member or chairperson

Sr.No.	Name of Director	*No. of other Directorship Membership	No. of Other Committee in other Companies	No. of Other Committee chairmanship in other Companies
1.	Mr. Vinod Lath	Nil	Nil	Nil
2.	Mr. Pradeep Roongta	Nil	Nil	Nil
3.	Mr. Ramesh Khanna	Nil	Nil	Nil
4.	Mr. Rajesh Tibrewal	Nil	Nil	Nil
5.	Mr. Rohit Gadia	Nil	Nil	Nil
7.	Ms. Shruti Saraf	Nil	Nil	Nil

d) Number of meetings of the board of directors held and dates on which held

- During the year, there were in total **8 (Eight)** Board Meetings were held. The time gap between the two meetings was not more than 120 days . 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 Meetings were held are as follows:**

30.05.2017; 07.06.2017; 14.08.2017; 22.08.2017; 14.09.2017; 14.11.2017; 13.12.2017 and 14.02.2018.

e) Disclosure of Relationships between Directors Inter-se

- Mr. Vinod Lath is the Managing Director & Chairman and is related to Mr. Pradeep Roongta being a relative as per Companies Act, 2013
- Mr. Pradeep Roongta is the CFO & Whole-time Director and is related to Mr. Vinod Lath being a relative as per Companies Act, 2013
- Mr. Ramesh Khanna is a Whole-time Director and is not related to any of the other Members of the Board of Directors
- Mr. Rohit Gadia is a Non-Executive Independent Director and is not related to any of the other Members of the Board of Directors
- Mr. Rajesh Tibrewal is a Non-Executive Independent Director and is not related to any of the other Members of the Board of Directors
- Ms. Shruti Saraf is a Non-Executive Independent Woman Director and is not related to any of the other Members of the Board of Directors

f) Number of shares and convertible instruments held by non-executive Directors:

Sr. No.	Name of the Non-Executive Director	No. of Shares held	No. of convertible instruments held
1.	Rajesh Tibrewal	Nil	Nil
2.	Shruti Saraf	Nil	Nil
3.	Mr. Rohit Gadia	Nil	Nil

g) Details of Familiarization program imparted to independent Directors for FY 2017-18

On appointment, the concerned Director is issued a Letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director & CEO, Executive Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The program also includes visit to the plant to familiarize them with all facets of textile manufacturing. The details of familiarization program imparted for FY 2017-18 can be accessed from the website: www.sunilgroup.com

h) Brief Profile of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting.**Re-appointment of Mr. Ramesh Khanna, retiring director by rotation**

Name of Director	: Mr. Pradeep Roongta
Age	: 55 years
Qualification	: B.com.
Expertise in functional Area	: Production & Administration
Directorship in other Indian Public Limited Companies and other firms as on 31 st March, 2018.	: Nil
Disclosure of relationships between directors (in case of appointment of a director)	: related to Mr. Vinod Lath being a relative
Shareholding in the Company	: 13600 Shares

3. Audit Committee**1. Brief Description of Terms of reference****Broad terms of reference of the Audit Committee are as per following:**

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2) Recommending the appointment, remuneration and terms of appointment of auditors of the company
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4) Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries based on exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. modified opinion(s) in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.

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- 7) Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- 8) Approval or any subsequent modification of transactions of the company with related parties
- 9) Scrutiny of inter-corporate loans and investments.
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- 14) Discussion with internal auditors of any significant findings and follow up there on.
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18) To review the functioning of the Whistle Blower mechanism.
- 19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- 20) To review report submitted by Monitoring Agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
- 21) Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

2. **Composition, Name of Members and Chairperson**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with regulation 18 Listing Obligation and Disclosure Requirement, 2015. The Audit Committee comprises of 3 Non Executive Independent Directors & 1 Executive Director.

The Audit Committee met Seven times in financial year 2017-18 viz: 30.05.2017; 07.06.2017; 14.08.2017; 14.09.2017; 14.11.2017; 13.12.2017 and 14.02.2018. The necessary quorum was present in the said meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 26th September, 2017. The composition of the Committee during the year 2017-18 and the details of meetings held and attended by the Directors are as under

Mr. Rajesh Tibrewal	Chairman
Mr. Rohit Gadia	Member
MS. Shruti Saraf	Member
Mr. Pradeep Roongta	Member

3. **The Audit Committee has held 7 meetings during the year and attendance of the meetings is given below.**

The Audit Committee met Seven times in financial year 2017-18 viz 30.05.2017; 07.06.2017; 14.08.2017; 14.09.2017; 14.11.2017; 13.12.2017 and 14.02.2018.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Mr. Rajesh Tibrewal	Independent Director	4
Mr. Rohit Gadia	Independent Director	7
MS. Shruti Saraf	Whole-time Director	7
Pradeep Roongta	Whole-time Director	7

4. **Nomination and Remuneration Committee**

a) **Brief Description of Terms of reference**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178(3) and (4) of the Companies Act, 2013 read with Regulation 19 Security and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015. Nomination and Remuneration Committee comprises of 3 Non-Executive Independent Directors.

The Nomination and Remuneration Committee met four time during the year 2017-18. The necessary quorum was present in the said meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 26th September, 2017.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE, inter-alia, include the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;

- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) Criteria for evaluation of performance of independent directors and the board of directors and the Chairman of the Company.
- (7) Nomination and Remuneration Committee shall carry out evaluation of every director's performance.

b) Composition, name of members and chairperson

The composition of the Nomination and Remuneration Committee during the year 2017-18 is as follows:

Mr. Rajesh Tibrewal	Chairman
Mr. Rohit Gadia	Member
Ms. Shruti Saraf	Member

The Composition of the Committee was changed during the Financial Year due to resignation and appointment of Directors.

c) Meeting and attendance during the year

The Nomination and Remuneration Committee has held 5 meetings viz 07.06.2017; 14.08.2017; 22.08.2017; 14.09.2017 and 14.02.2018 during the year. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Mr. Rajesh Tibrewal	Non-executive Independent Director	3
Mr. Rohit Gadia	Non-executive Independent Director	5
Ms. Shruti Saraf	Non-executive Independent Director	5

d) Performance evaluation criteria for independent directors

GUIDELINES REGARDING APPOINTMENT OF DIRECTORS

The Nomination & Remuneration Committee have approved a Policy for the Selection, Appointment and Remuneration of Directors. In line with the said Policy, the Committee facilitate the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time. The Managing Director and all the Non-executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute. As required under Regulation 46 (2) (b) of the Listing Obligation and Disclosure Requirements, Regulations, 2015 the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment are posted on the Company's website and can be accessed at www.sunilgroup.com

• **Membership term**

As per the Articles of Association of the Company, at least two-thirds of the Board of Directors should be retiring Directors. One-third of these Directors are required to retire every year and if eligible, the retiring Directors qualify for re-appointment.

• **Meeting of Independent Directors**

The Company's Independent Directors met on 14th February 2018 without the presence of the Managing Director & CEO, Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company

• **Succession policy**

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the statute. Executive Directors are appointed by the shareholders for a maximum period of Five years at one time, but are eligible for re-appointment upon completion of their term. Non-Independent, Non-Executive Directors do not have any term, but retire by rotation as per the law.

The Board has adopted a retirement policy for its Executive Directors. The maximum age of retirement of Executive Directors is seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• **Performance Evaluation Criteria of Independent Directors:**

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues, quality of contribution to Board deliberations, commitment to shareholders and other stakeholder interests etc.

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Code of Conduct

The Board of Directors has adopted the code of conduct for the directors and senior management and the same has been placed on the company's website <http://www.sunilgroup.com>. All board members and senior management personnel have affirmed compliance with the code of conduct for the period under review. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

5. Remuneration to Directors

a) Pecuniary relationship or transactions of the non-executive Directors

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has Potential conflict with the interests of the Company at large.

b) Criteria of making payments to non-executive directors

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 is available at the website of the Company: <http://www.sunilgroup.com>. Further, criteria of making payments to non-executive directors, the details of remuneration paid to all the Directors and the other disclosures required to be made under Listing Obligation and Disclosure Requirement, 2015 have been provided in the said policy and Nomination and remuneration policy adheres to the terms and conditions of the policy while approving the remuneration payable.

c) Disclosures with respect to remuneration

Details of Remuneration Paid to the Directors

The remuneration of the managing director and executive director is recommended by the remuneration committee, then approved by the board of directors and subsequently by the shareholders in general meeting within the limits prescribed in Companies Act, 2013. The non-executive directors are paid sitting fees for board meetings attended by them.

Details of remuneration paid to Executive Directors

Name of Director	Mr. Vinod Lath	Mr. Pradeep Roongta	Mr. Ramesh Khanna
Designation	MD	ED	ED
Salary	12,00,000	12,00,000	12,76,000
Performance bonus	—	—	—
Provident Fund & Gratuity Fund stock option	—	—	—

Mr Vinod Lath is appointed as Managing Director with effect from 1st September 2014 to 31st August, 2019 for a period of 5 years.

Mr. Pradeep Chatruprasad Roongta is appointed as Whole Time Director with effect from 1st September 2014 to 31st August,2019 for a period of 5 years

Mr. Ramesh Khanna is appointed as Whole Time Director with effect from 1st September 2014 to 31st August,2019 for a period of 5 years.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Non-Executive Directors during the year ended on 31st March, 2018 are given below:-

Sitting Fees

Name	Mr. Rajesh Tibrewal	Mr. Rohit Gadia	Ms. Shruti Saraf
Sitting fees	Nil	Nil	Nil
Remuneration	Nil	Nil	Nil
No. of equity shares	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Non-convertible instruments stock option	Nil	Nil	Nil

- Executive Directors are not provided with any benefits, bonuses, performance linked incentives
- None of the Directors have Services contracts, apart from agreements made towards their appointment as Whole-time Directors/ Managing Director. The notice period for Resignation is 30 days however due to certain inadvertent or significant unavoidable circumstances notice of Resignation can be served and accepted without the mandatory period of 30 days.
- The company has not issued any Stock options either to its Directors or to its Employees.

6. Stakeholder Relationship Committee

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 Security and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015. Stakeholders' Relationship Committee of 2 Non Executive Independent Directors , one executive Director and one Managing Director/ Compliance Officer.

The Committee periodically reviews the status of Stakeholders' grievances and redressal of the same. The Committee met five times in FY 2017-18 - viz: 30.05.2017; 14.08.2017; 14.09.2017; 14.11.2017 and 14.02.2018. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 26th September,2017.

The composition of the Committee during financial year 2017-18 and the details of meetings held and attended by the Directors are as under.

The Stakeholder Relationship Committee has been constituted with 4 members. The committee consists of two Non-Executive Independent Directors, One Executive Director and One Executive Director & Compliance Officer of the Company. The committee looks into the shareholders and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters.

Following are the members of the Committee.

Mr. Rajesh Tibrewal	Chairman
Mr. Rohit Gadia	Member
Ms. Shruti Saraf	Member
Vinod Lath	Member

The Composition of the Committee was changed during the Financial Year due to resignation and appointment of Directors.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Mr. Rajesh Tibrewal	Independent Director	3
Mr. Rohit Gadia	Independent Director	5
Mr. Ramesh Khanna	Whole-time Director	5
Mr. Vinod Lath	MD & Compliance Officer	5

The company received '5' complaints from shareholders during the year which was resolved during the year and none remained pending at the end of the year 2017-18. Further, during the year ended on 31st March 2018 the company approved 63 transfer requests aggregating to 6600 Equity shares of Rs.10/- each.

7. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue	Special Resolution(s)
2014-2015	26.09.2015	11.30 am	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 201	Adoption of New set of Articles of Association
2015-2016	28.09.2016	11.30 am	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 201	Nil
2016-2017	26.09.2017	11.00 am	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 201	Nil

b) **Whether any special resolution passed last year through postal**

There were no special/ordinary resolutions passed during last year through postal ballot nor does the Company thus far has any plan to conduct postal Ballot and hence is not required to produce procedure of postal ballot.

8. MEANS OF COMMUNICATION:

a) **yearly/quarterly results**

The yearly/quarterly results are duly reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company and the same have been submitted to BSE in due course of time. The Company has its website named as www.Sunilgroup.com

b) **Publication of yearly/quarterly results**

The yearly/quarterly results are duly hosted on the website of the Company at www.Sunilgroup.com and is easily accessible in public domain at the Website of BSE Limited at <http://www.bseindia.com/stock-share-price/sunil-industries-ltd/suniltx/521232/> and are also published in one English and one Marathi Language newspapers.

c) **Website of the Company**

The Results and other mandatory information about the Company is hosted at the website of the Company at www.Sunilgroup.com. The website contains details as required under LODR and Companies Act, 2013.

d) **Official news releases and presentations made to institutional investors or to the analysts**

The company has not made any official news releases nor it has made any presentations made to institutional investors or to the analysts hence the same are not disclosed to BSE or on the website of the Company.

9. GENERAL SHAREHOLDERS INFORMATION:

a) **Annual General Meeting - Date, Time and Venue**

The 42nd Annual General Meeting is scheduled to be held on **Thursday, the 27th day of September, 2018 at 11.00 am at D-8, MIDC Phase II, Manpada Road, Dombivli (East), Dist – Thane, 421-203.**

b) **Financial year**

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

First quarter results (30 th June)	By Mid August, 2018
Annual General Meeting	29 th September, 2018
Second quarter results (30 th September)	By Mid November, 2018
Third quarter results (31 st December)	By Mid February, 2019
Fourth quarter / Annual Results	By End of May, 2019

SUNIL INDUSTRIES LIMITED

c) Payment of Dividend

The Board of Directors have not proposed any dividend for the year ended 31st March 2018 with a view to conserve resources for a sustainable future.

d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)

The company's shares are listed at Bombay, Ahmedabad, Delhi and Calcutta Stock Exchanges out of which Bombay Stock Exchange is the only functional Stock Exchange and hence all the Listing Compliances including payment of Listing Fees are made to BSE Limited only.

The Company has paid listing fees up to 31st March, 2018 to the Bombay Stock Exchange (BSE Limited)

e) Stock Code on BSE

Scrip Name: SUNIL INDUSTRIES LIMITED

Scrip Code: 521232

f) Market price data:

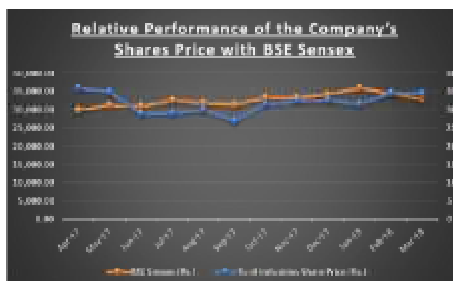
The Stock Market Price for the period April 2017 to the end of March 2018 at BSE is given hereunder
Stock Market Price data for the year 2017-18 at BSE –

Month	BSE		Volume (No. of shares Traded)
	High	Low	
April 2017	39.40	33.25	20,800
May 2017	37.00	34.00	4,100
Jun-17	34.80	27.60	22,500
Jul-17	32.90	28.50	5,600
Aug-17	30.45	27.55	1,800
Sep-17	31.15	26.85	4,500
Oct-17	31.50	28.15	24,500
Nov-17	33.50	30.00	21,700
Dec-17	33.90	31.00	20,000
Jan-18	34.85	31.00	8,200
Feb-18	36.50	29.50	15,800
Mar-18	37.80	34.35	41,800

g) performance in comparison to broad-based indices of BSE Relative Performance of the Company's Shares Price with BSE Sensex:

Share Price of Sunil Industries Limited v/s BSE Sensex Index for the year 2017-18:

Months	Sunil Industries Share Price (₹)	BSE Sensex (₹)
April-17	36	29,918.40
May-17	34.8	31,145.80
Jun-17	28.95	30,921.61
Jul-17	29	32,514.94
Aug-17	30	31,730.49
Sep-17	26.85	31,283.72
Oct-17	31.5	33,213.13
Nov-17	32.3	33,149.35
Dec-17	32.5	34,056.83
Jan-18	31.5	35,965.02
Feb-18	34.5	34,184.04
Mar-18	34.35	32,968.68



h) **The Securities of the Company are not suspended from trading and hence no explanation is provided.**

i) **Registrars and Share transfer agents**

Address of Registrars and Share Transfer Agent.

Link Intime India Private Limited.

Add.: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.

j) **Share Transfer System**

The share transfer of securities in physical form are registered, duly transferred and dispatched within 30 days of the receipt, if the transfer documents are in order, and rejection are communicated within 15 days if the documents are not found in order. The share transfers are approved on fixed time interval by the persons authorized to do so by the Board. The shares in de-materialized form are processed and transferred within 21 days from receipt of dematerialization requests.

k) **Distribution of Shareholding as on 31st March, 2018:**

No. of shares	No. of Share-holders	% of Share-holders	Share-holding(Rs.)	% of Share-holding
1 - 500	6223	95.3132	7778000	18.5190
501 1000	152	2.3281	1277000	3.0405
1,001 2000	50	0.7658	795000	1.8929
2,001 3000	21	0.3216	529000	1.2595
3,001 4000	9	0.1378	328000	0.7810
4,001 5000	19	0.2910	909000	2.1643
5,001 10000	17	0.2604	1401000	3.3357
Above 10000	38	0.5820	28983000	69.0071
TOTAL	6529	100	42000000	100

Categories of Shareholders as on March 31, 2018

Category	No. of Shares Held	% Shareholding
Corporate Bodies (Promoter Companies)	1292100	30.76
Clearing Members	400	0.0095
Other Bodies Corporate	184600	4.40
Directors	357100	8.50
Hindu Undivided Family	11500	0.27
Mutual Fund	4800	0.11
Banks	300	0.0071
Non Resident Indians	243200	5.79
Office Bearers	11900	0.28
Persons Acting in Concert	6200	0.15
Public	1290300	30.72
Promoters (excluding directors and their relatives)	82200	1.96
Relative of Directors	715400	17.03
TOTAL	4200000	100.0000

i) **Dematerialization of securities and liquidity**

Names of depositories for dematerialization of equity shares

Name of depository	ISIN No.
National Securities Depository Ltd.	INE124M01015
Central Depository Services (India) Ltd.	INE124M01015

As on 31st March, 2018, **55.42** of the Company's total shares representing **23,27,500** shares were held in dematerialized form and the balance **44.58** representing **18,72,500** shares in paper form. The details are given below:

Type	No. of Shares held	% Shareholding
<u>Dematerialized Shares</u>		
With N.S.D.L	12,07,895	28.62%
With C.D.S.L	11,25,605	26.80%
Total Demat shares	23,27,500	55.42 %
Physical shares	18,72,500	44.58 %
TOTAL	42,00,000	100.00%

SUNIL INDUSTRIES LIMITED

- m) **The Company does not have any outstanding global depository receipts or American depository receipts or warrants or any convertible instruments or any ESOP**
- n) **Commodity price risk or foreign exchange risk and hedging activities**
The Company does not have a Commodity Price Risk or foreign exchange risk and hedging activities as the same are not applicable to the Company.
- o) **Plant locations**
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
- p) **Address for correspondence:**
Shareholders of the company can send correspondence at company's share & Transfer Agent's Office or the Registered office of the company situated at following address:
D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane 421201
10. **Other Disclosures**
- a) **Materially significant related party transactions**
There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or that had potential conflict with the Company's interest and which require shareholders' approval. Suitable disclosure as required by the Accounting Standard (AS 18) and AOC-2 have been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is available on the Company's website at www.sunilgroup.com
- b) **Details of non-compliance**
The Company has complied with the necessary provisions of Listing Obligation and Disclosure Requirements, regulations 2015 apart from Regulation 31 (2). The Promoters being distant relatives of each other are scattered all over and hence it is very difficult to convert each promoter's physical holding into demat, however the company is in the process for conversion of the same as per regulations 31 (2) of LODR.
- c) **Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have been denied access to the Chairman**
Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 27(2) of Security and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015., the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Company also affirms that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at www.Sunilgroup.com
- d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**
The Company has complied with the mandatory requirements of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further the Company has also complied with the corporate governance requirements specified in regulations 17 to 27 and the mandatory requirements under Schedule II and regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company to the extent possible has adopted certain non-mandatory requirements as part of good corporate governance practice.
- e) **web link of policy of 'material' subsidiaries**
The company does not have any subsidiary hence formation of material subsidiary policy is not applicable to the company.
- f) **Web link where policy on dealing with related party transactions**
There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or that had potential conflict with the Company's interest and which require shareholders' approval. Suitable disclosure as required by the Accounting Standard (AS 18) and AOC-2 has

been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.sunilgroup.com.

g) Disclosure of commodity price risks and commodity hedging activities

Disclosures are not required since the Company does not have a Commodity Price Risk or foreign exchange risk and hedging activities as the same are not applicable Company.

h) Dates of book closure

From **Friday, 21st September, 2018 to Thursday, 27th September, 2018** (both days inclusive)

i) Debentures

There are no outstanding debentures as the company has not issued Debentures at any point of time.

j) E-Voting Facility to members

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 the facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

Pursuant to the amendments made in Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the company has sent assent/dissent forms to the members to enable those who do not have access to E-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

k) ROC inspection notice

The company had received Inspection notice from the Office of Regional Director, Western Region (Registrar of Companies), to which it has suitably replied and submitted the ascertained and required documents. In contention with the same inspection process it received a preliminary observation letter on 18th July, 2017 to which the Company duly replied on 25th July, 2017 with the necessary information. Further in contention with the same the Company has filed for Compounding of offences under section 441 of the Companies Act, 2013 and as on the date of this report no order has been passed by the applicable Authorities hence the Management is unable ascertain the material impact on going concern status of the Company and its operations in future.

l) Accounting Treatment:

The Company has adopted India accounting standards (IND – AS) for Financial year 2017-18 as notified by the Central Government of India under the Companies (Accounting Standards) Rules under section 133 of the Companies Act, 2013 and as per guideline of the institute of chartered accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any accounting standard.

m) Disclosure with respect to Demat suspense account/ unclaimed suspense account.

There are no shares lying in the Demat suspense account or unclaimed suspense account of the Company and hence the details of the same are not provided.

**ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED**

SD/-

**DATE : 14th AUGUST, 2018
PLACE : DOMBIVLI**

**VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774**

CEO/CFO Certification**DISCLOSURES:****Disclosure of accounting Treatment:**

The Company follows accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and/or by the institute of chartered accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any accounting standard.

CEO/CFO Certification:

The Managing Director (CEO) and the Chief Finance Officer (CFO) have certified to the Board in accordance with Regulation 27 of the Listing obligation and Disclosure Requirements, Regulations 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2018 which is annexed separately in Annual report.

The board affirms that no person has been denied access to the audit committee during the year. The company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

Material related Party Transaction

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or that had potential conflict with the Company's interest and which require shareholders' approval. Suitable disclosure as required by the Accounting Standard (AS 18) and AOC-2 has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.sunilgroup.com

Pecuniary relationships

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has Potential conflict with the interests of the Company at large.

Penalties:

The Company was not imposed with any penalty for late submission of clause 30 of Listing Agreement apart from that company was not subject to any penalties or strictures by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Material Subsidiaries Policy:

Material Subsidiaries Policy is not applicable to the company as the company does not have a Subsidiary.

Vigil Mechanism and Whistle-Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 27(2) of Security and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015., the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at www.Sunilgroup.com

Code of Conduct

The Board of Directors has adopted the code of conduct for the directors and senior management and the same has been placed on the company's website <http://www.sunilgroup.com> All board members and senior management personnel have affirmed compliance with the code of conduct for the period under review. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company

DATE : 14th August, 2018
PLACE : Dombivli

FOR SUNIL INDUSTRIES LTD
Sd/- Sd/-
Mr. Vinod Lath Mr. Pradeep Roongta
(MANAGING DIRECTOR) (CFO)

COMPLIANCE CERTIFICATE BY CFO & CEO

To,
The Board of Directors,
SUNIL INDUSTRIES LIMITED
D-8, MIDC, Phase II,
Manpada Road, Dombivli (E),
Dist. Thane 421201

We, Mr. Vinod Lath, Managing Director & CEO and Mr. Pradeep Roongta, CFO of the Company as stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, do hereby certify for the financial year, ending 31st March, 2018:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with current applicable 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 in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- d) we have indicated to the Auditors and the Audit Committee:
- i. Significant changes, if any, in the internal control over financial reporting during the year.
 - ii. significant changes, if any, in accounting policies made 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 have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR SUNIL INDUSTRIES LTD

Sd/-

Sd/-

DATE : 14th August, 2018

PLACE : Dombivli

**Mr. Vinod Lath
(MANAGING DIRECTOR)**

**Mr. Pradeep Roongta
(CFO)**

**DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT ON
BEHALF OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

In terms of the requirements of the Listing Obligation and Disclosure Requirements, Regulations 2015, Code of Conduct as approved by the Board of Directors of the Company I, Mr. Vinod Lath, Managing Director on behalf of the board of directors and senior management of the Company hereby declare that all Board members and senior management personnel affirm compliance with the code on an annual basis for the period 31st March, 2018.

**ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED**

sd/-

DATE : 14th August, 2018

PLACE : DOMBIVLI

**VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774**

SUNIL INDUSTRIES LIMITED

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 procedures by the Company during the year ended March 31, 2018, 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 conditions of 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 the conditions of Corporate Governance as stipulated in (Listing Obligations and Disclosure Requirements) Regulations, 2015 Listing Agreement with the Stock Exchanges apart from the Compliance of Regulation 31 (2).

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

For **HS Associates,**
Company Secretaries
Hemant Shetye

PLACE: Mumbai.
DATE: 14th August, 2018

sd/-
Prasad Chavan
Partner
FCS: 49921
COP: 20415

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
A) Industry Structure and developments:

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

B) Opportunities, Outlook & Threats:

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.82 billion during April 2000 to December 2017.

Some of the major investments in the Indian textiles industry are as follows:

- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.
- In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017.

Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Initiative will be taken into consideration by Government of India.

- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India.
- The Government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were renovated and re-launched during the completion of KVIC's 60th anniversary and a khadi outlet.
- The Textiles Ministry will organise 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans.
- The Gujarat government's decision to extend its textile policy by a year is set. It is believed to attract Rs 5,000 crore (US\$ 50 billion) of more investment in sectors across the value chain. The government estimates

SUNIL INDUSTRIES LIMITED

addition till now of a million units of spindle capacity in the spinning sector and setting up of over 1,000 units in technical textiles.

- The Textile Ministry of India earmarked Rs 690 crore (US\$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), launch of India Handloom Brand and integrated scheme for development of silk industry, for the strategic enhancement of Indian textiles quality to international standards.

C) Segment-Wise Performance or product wise performance

The company has only one segment i.e. Manufacturing of Textiles, therefore the requirement of segmentwise reporting is not applicable to the Company.

D) Risk & concerns

Your company is taking adequate steps to safeguard against Risks & Concerns

E) Internal control systems & their adequacy

The Company has adequate internal audit system commensurate with its size and nature of operations. The Audit Committee of the Board of Directors approves the internal audit scope every year and quarterly presentation to the audit committees are made by internal auditors as well as statutory auditors of the Company. The Management consistently reviews the internal control systems and procedures to ensure efficient conduct of the business conforming to the ethics and code of conduct of the Company.

F) Human Resource 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

**ON BEHALF OF THE BOARD
FOR SUNIL INDUSTRIES LIMITED**

sd/-

**DATE : 14TH AUGUST, 2018
PLACE : DOMBIVLI**

**VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774**

INDEPENDENT AUDITORS' REPORT

To
The Members of
Sunil Industries Limited

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Sunil Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (**herein after referred to as "standalone Ind AS financial statements"**)

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31 March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
 - c. The Balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with relevant rule issued thereunder.
 - e. On the basis of the written representations received from the directors as on 31 March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date and our report dated 30-May-2018_as per Annexure II expressed.

SUNIL INDUSTRIES LIMITED

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial positions in its standalone Ind AS financial statements;
 - The company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For P R Agarwal & Awasthi
Chartered Accountants
Firm Registration No 117940W
sd/-
CA Pawan KR Agarwal
Partner
M No-034147

PLACE : Mumbai
DATE : 30-May-2018

Annexure I to the Auditor's Report even date
(Referred to in paragraph 1 thereof)

- In respect of Fixed Assets:
 - The Company has maintained proper records showing full quantitative details and situation of its fixed assets.
 - The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
- In respect of Inventories: As explained to us physical verification of inventory has been conducted during the year at reasonable intervals by the management and in our opinion and according to the information and explanation given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
- The Company has not granted loans, secured or unsecured to other Companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- The Company has not granted loans or made investments or given guarantees or securities to any party covered under section 185 and 186 of the Companies Act, 2013.
- According to the information and explanations given to us, the Company has not accepted any deposits from public.
- We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by Central Government of India, the maintenance of cost records has been prescribed under subsection (1) of section 148 of the Companies 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 examination of records with a view to determine whether they are accurate or complete.
- In respect of Statutory Dues:
 - According to record of the Company produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.
 - According to the information and explanations given, no undisputed amounts payable in respect of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess were outstanding as at 31.03.2018 for a period of more than six months from the date they became payable.
 - The following dues have not been deposited by the company on account of disputes:

S. No.	Name of the Statute	Amount (In Lacs)	Forum where dispute is pending
i)	Central Excise Duty (Payment made under protest ` 20 Lakhs)	141.30	Commissioner of Central Excise-Thane-I
ii)	Custom Duty	336.00	Appellate Tribunal (CESTAT)
iii)	TNVAT (inclusive of penalty of Rs.20.82 lakhs)	7.22	The Appellate Deputy Commissioner(CT)

- As per the information and explanations given to us the company has not defaulted in repayment of dues to bank. The company has not obtained any loan from any financial institutions and issued debentures.
- According to the records of the Company, the Company has no outstanding moneys raised by way of initial public offering. However, the company has taken term loans and applied for the purposes for which they were raised.
- Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- According to the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi Company. Hence, in our opinion, the requirements of para3 (xii) of the Order do not apply to the company.
- According to the information and explanations given to us, the Company in respect to transactions with related parties has complied provisions of sections 177 and 188 of Companies Act, 2013 and has disclosed all particulars in Financial Statements.
- The company has not made any preferential allotment or private placement of shares during the year, therefore comments under this clause are not called for.

15. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company has not entered into any non-cash transaction with directors or persons connected with him and no provisions of section 192 have been contravened.
16. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For P R Agarwal & Awasthi
Chartered Accountants
Firm Registration No 117940W
sd/-
CA Pawan KR Agarwal
Partner
M No-034147

PLACE : Mumbai
DATE : 30-May-2018

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of **Sunil Industries Limited** ("the Company") as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria being specified by management. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria being specified by management.

For P R Agarwal & Awasthi
Chartered Accountants
Firm Registration No 117940W
sd/-
CA Pawan KR Agarwal
Partner
M No-034147

PLACE : Mumbai
DATE : 30-May-2018

SUNIL INDUSTRIES LIMITED
BALANCE SHEET AS AT 31st MARCH 2018

PARTICULARS	Note	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)	31st March, 2016 (Rs.)
ASSETS				
Non-current assets				
a) Property, Plant & Equipment	2	16,22,22,183	14,64,07,681	13,21,36,903
b) Other Intangible Assets	2	2,81,482	2,86,085	-
c) Financial Assets				
(i) Non-current Investments	3	2,32,092	2,25,803	2,21,693
d) Other Financial Assets	4	73,32,832	23,44,195	82,71,809
e) Other Non current Assets	5	1,95,79,252	1,81,03,794	3,65,12,478
		<u>18,96,47,841</u>	<u>16,73,67,559</u>	<u>17,71,42,883</u>
Current assets				
a) Inventories	6	12,99,81,080	17,25,91,893	17,57,81,937
b) Financial Assets				
(i) Trade receivables	7	28,13,70,432	45,05,97,656	52,42,98,056
(ii) Cash and cash equivalents	8	2,36,08,606	3,91,04,938	3,72,24,064
(iii) Loans	9	-	-	72,31,375
c) Current Tax Assets	10	32,27,875	89,93,305	27,45,270
d) Other current assets	11	4,42,48,389	3,40,07,952	3,56,09,430
		<u>48,24,36,383</u>	<u>70,52,95,743</u>	<u>78,28,90,132</u>
TOTAL		<u>67,20,84,224</u>	<u>87,26,63,302</u>	<u>96,00,33,015</u>
EQUITY AND LIABILITIES				
Equity				
a) Equity Share capital	12	4,19,84,000	4,19,84,000	4,19,84,000
b) Other Equity	13	30,22,37,603	28,77,21,675	27,22,96,105
		<u>34,42,21,603</u>	<u>32,97,05,675</u>	<u>31,42,80,105</u>
LIABILITIES				
1) Non-current liabilities				
a) Financial Liabilities				
(i) Borrowings	14	14,25,93,102	17,06,92,522	10,59,13,268
b) Deferred tax liabilities (Net)	15	1,26,31,709	95,29,764	92,88,075
c) Provisions	16	1,66,780	-	1,83,726
		<u>15,53,91,591</u>	<u>18,02,22,286</u>	<u>11,53,85,069</u>
2) Current liabilities				
a) Financial Liabilities				
(i) Borrowings	17	5,74,13,312	16,75,29,780	30,14,81,363
(ii) Trade payables	18	7,30,97,479	15,40,58,173	20,24,20,271
b) Other Financial liabilities	19	74,55,032	72,78,365	65,62,548
c) Current Tax liabilities	20	-	57,02,000	59,20,649
d) Other Current liabilities	21	3,39,10,193	2,78,64,523	1,37,40,510
e) Provisions	22	5,95,014	3,02,500	2,42,500
		<u>17,24,71,030</u>	<u>36,27,35,341</u>	<u>53,03,67,841</u>
TOTAL		<u>67,20,84,224</u>	<u>87,26,63,302</u>	<u>96,00,33,015</u>
Notes are integral part of the balance sheet & profit & loss account	1			

As per our attached report of even date

For P.R. Agarwal & Awasthi

CHARTERED ACCOUNTANTS

sd/-

C.A. P.R. Agarwal

(PARTNER)

Membership Number- 34147

Firm Reg No.:117940W

PLACE : Mumbai

DATE : 30-May-2018

For and on behalf of the Board of DirectorsFor

Sunil Industries Limited

sd/-

Vinod Lath (Chairman & Managing Director)

(DIN:00064774)

sd/-

Pradeep Roongta (Wholetime Director & CFO)

(DIN:00130283)

PLACE : Mumbai

DATE : 30-May-2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)
INCOME :			
Revenue from Operations	23	1,53,54,88,117	1,43,14,34,401
Other income	24	47,23,494	40,44,302
Total Revenue		<u>1,54,02,11,612</u>	<u>1,43,54,78,702</u>
EXPENDITURE :			
Cost of materials consumed	25	1,22,94,76,906	1,06,42,49,666
Purchases of Made Ups of Stock in trade		1,00,01,102	2,53,00,458
Purchase of Machinery for Trading		-	2,50,85,890
Changes in inventories of finished goods, work-in-progress and waste	26	(60,95,120)	(1,39,68,819)
Employee benefits expenses	27	2,31,53,753	1,88,34,348
Finance costs	28	3,08,63,172	3,72,16,257
Depreciation and amortization expenses		1,30,90,771	1,45,57,298
Other expenses	29	21,72,83,765	24,28,48,576
Total Expenditures		<u>1,51,77,74,349</u>	<u>1,41,41,23,674</u>
Profit before extraordinary items and tax		2,24,37,263	2,13,55,028
Extraordinary Items :			
Prior year adjustments		-	-
Profit before tax		2,24,37,263	2,13,55,028
Tax expenses :			
Current tax expense for current year		46,96,000	57,02,000
Current tax expense relating to prior years		1,23,390	(14,231)
Net current tax expense		48,19,390	56,87,769
Deferred tax		31,01,945	2,41,689
Profit for the year		<u>1,45,15,928</u>	<u>1,54,25,570</u>
Comprehensive Income		-	-
Other Comprehensive Income		-	-
Total Other Comprehensive Income		<u>1,45,15,928</u>	<u>1,54,25,570</u>
Earnings per equity share: Basic & Diluted (in Rs.)		3.46	3.67

Notes are integral part of the balance sheet & profit & loss account

As per our attached report of even date

For P.R. Agarwal & Awasthi
 CHARTERED ACCOUNTANTS
 sd/-

C.A. P.R. Agarwal
 (PARTNER)
 Membership Number- 34147
 Firm Reg No.:117940W

PLACE : Mumbai
DATE : 30-May-2018

For and on behalf of the Board of DirectorsFor
Sunil Industries Limited

sd/-
Vinod Lath (Chairman & Managing Director)

(DIN:00064774)

sd/-
Pradeep Roongta (Wholetime Director & CFO)
 (DIN:00130283)

PLACE : Mumbai
DATE : 30-May-2018

SUNIL INDUSTRIES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

Particulars	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and after Extraordinary items	2,24,37,263	2,13,55,028
Adjustment For :		
Depreciation	1,30,90,771	1,45,57,298
Interest & Finance charges	2,92,55,572	2,75,31,086
Interest received	(23,49,669)	(24,21,978)
Profit (-) / Loss (+) on sale of Assets	(23,36,506)	(7,56,603)
Operative Profit before Working Capital Changes	6,00,97,431	6,02,64,831
Adjustment For :		
Increase/ (Decrease) in Trade Payables	(8,09,60,693)	(4,83,62,098)
Increase/ (Decrease) in Other than Trade Payables	1,76,667	1,48,39,829
Increase/ (Decrease) in Other Current Liabilities	60,45,670	-
Increase / (Decrease) in Short term provision	2,92,514	60,000
Increase/ (Decrease) in Long Term Provision	(1,66,780)	(1,83,726)
Increase/ (Decrease) In Long term Loans And Advances	-	1,78,45,297
Increase/ (Decrease) in Trade Receivable	16,92,27,224	7,37,00,400
Increase/ (Decrease) in Inventories	4,26,10,812	31,90,044
Increase/ (Decrease) in Short term Loans And Advances	-	35,93,434
Increase / (Decrease) in Other Financial Assets	(49,88,637)	59,27,614
Increase / (Decrease) in Other Non Current Assets	(14,75,458)	-
Increase / (Decrease) in Other Current Assets	(1,02,40,438)	(4,45,229)
Cash Generation from Operations	18,06,18,312	13,04,30,395
Direct Taxes	(47,55,960)	(59,06,415)
Net Cash Flow from operating activities	17,58,62,351	12,45,23,980
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale / Purchase of Fixed Assets	(2,65,64,162)	(2,83,57,558)
Sale / Purchase of Investment	(6,289)	(4,110)
Interest Received	23,49,669	24,21,978
Net Cash used in investing activities	(2,42,20,782)	(2,59,39,690)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowing	(13,82,15,888)	(14,08,26,331)
Borrowing taken during the year	-	7,16,54,002
Interest paid	(2,92,55,572)	(2,75,31,086)
Net Cash used in financing activities	(16,74,71,460)	(9,67,03,415)
D. Net Change In Cash And Cash Equilants (A+B+C)	(1,58,29,893)	18,80,875
Cash and Cash Equivalents (Opening)	3,91,04,938	3,72,24,064
Cash and Cash Equivalents (Closing)	2,32,75,045	3,91,04,940

Notes :

- Figures in brackets represent cash outflows.
- Previous year figures have been regrouped wherever necessary.

As per our attached report of even date

For P.R. Agarwal & Awasthi

CHARTERED ACCOUNTANTS

sd/-

C.A. P.R. Agarwal**(PARTNER)**

Membership Number- 34147

Firm Reg No.:117940W

PLACE : Mumbai**DATE : 30-May-2018**

For and on behalf of the Board of DirectorsFor

Sunil Industries Limited

sd/-

Vinod Lath (Chairman & Managing Director)

(DIN:00064774)

sd/-

Pradeep Roongta (Wholetime Director & CFO)

(DIN:00130283)

PLACE : Mumbai**DATE : 30-May-2018**

Statement of Changes in Equity -**A. Equity share capital**

	Notes	Number	INR
Balance as at 1 April 2016		42,00,000	4,20,00,000
Less : Call in arrears		16,000	
Changes in equity share capital during 2016-17		-	-
Balance as at 31 March 2017		42,00,000	4,19,84,000
Balance as at 1 April 2017		42,00,000	4,19,84,000
Changes in equity share capital during 2017-18		-	-
Balance as at 31 March 2018		42,00,000	4,19,84,000

B. Other equity

	Reserves and surplus			Total other Equity
	General Reserves	Securities premium	Retained earnings	
Balance as at 1 April 2016	14,08,57,634	4,92,80,289	8,21,58,182	27,22,96,105
Employee share-based compensation	-	-	-	-
Transactions with owners	-	-	-	-
Profit for the year	-	-	1,54,25,570	1,54,25,570
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance as at 31 March 2017	14,08,57,634	4,92,80,289	9,75,83,752	28,77,21,675
Balance as at 1 April 2017	14,08,57,634	4,92,80,289	9,75,83,752	28,77,21,675
Dividends	-	-	-	-
Issue of share capital on exercise of employee share option	-	-	-	-
Profit for the year	-	-	1,45,15,928	1,45,15,928
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance as at 31 March 2018	14,08,57,634	4,92,80,289	11,20,99,680	30,22,37,603

As per our attached report of even date

For P.R. Agarwal & Awasthi
 CHARTERED ACCOUNTANTS
 sd/-

C.A. P.R. Agarwal
 (PARTNER)
 Membership Number- 34147
 Firm Reg No.:117940W

PLACE : Mumbai
DATE : 30-May-2018

For and on behalf of the Board of DirectorsFor
Sunil Industries Limited

sd/-
Vinod Lath (Chairman & Managing Director)
 (DIN:00064774)

sd/-
Pradeep Roongta (Wholetime Director & CFO)
 (DIN:00130283)

PLACE : Mumbai
DATE : 30-May-2018

Note - 2 : Property, plant and equipment

Details of the property, plant and equipment & Intangible Assets their carrying amounts are as follows:

	Lease Land	Factory Building	Hold Building	Office Building	Residential Premises	Bore Well	Building	Lab Equipments	Office Equipment	Plant & Machinery	Tube Well	Electrical Equipments	Computers	Furniture & Fixtures	Vehicles	TOTAL	Software		
Gross carrying amount																			
Balance as at 1 April 2017	46,69,409	4,07,94,441	1,98,920	8,30,050	6,62,87,750	56,040	1,00,55,495	18,57,095	18,83,537	10,45,47,455	1,06,833	34,27,507	43,09,372	51,21,795	64,14,163	25,05,59,862	2,90,688		
Additions	-	-	-	-	-	-	-	-	-	2,68,07,426	-	-	1,17,303	2,00,812	19,38,621	2,90,64,162	-		
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	2,51,000	-	-	-	-	-	-	-	-	-	-	-	-	-	2,51,000
Revaluation increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	46,69,409	4,07,94,441	1,98,920	8,30,050	6,60,36,750	56,040	1,00,55,495	18,57,095	18,83,537	13,13,54,881	1,06,833	34,27,507	44,26,675	53,22,607	83,52,784	27,93,73,024	2,90,688		
Depreciation and impairment																			
Balance as at 1 April 2017	42,119	2,48,75,457	1,43,850	3,30,405	33,48,366	30,164	21,62,088	18,50,013	17,78,279	5,30,05,409	1,06,833	32,56,130	42,73,191	46,98,612	42,51,265	10,41,52,181	4,603		
Disposal	-	-	-	-	87,639	-	-	-	-	-	-	-	-	-	-	-	-	-	87,639
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	3,829	12,89,962	5,014	13,090	10,47,709	10,648	3,16,305	1,642	3,444	99,10,154	-	-	41,550	76,760	3,66,061	1,30,86,168	4,603		
Balance as at 31 March 2018	45,948	2,61,65,419	1,48,864	3,43,495	43,08,436	40,812	24,78,393	18,51,655	17,81,723	6,29,15,563	1,06,833	32,56,130	43,14,741	47,75,372	46,17,326	11,71,50,710	9,206		
Carrying amount as at 31 March 2018	46,23,461	1,46,29,022	50,056	4,86,555	6,17,28,314	15,228	75,77,102	5,440	1,01,814	6,84,39,318	0	1,71,377	1,11,934	5,47,236	37,35,458	16,22,22,183	2,81,482		
Gross carrying amount																			
Balance as at 1 April 2016	46,69,409	4,07,94,441	1,98,920	8,30,050	6,62,87,750	56,040	1,00,55,495	18,57,095	18,83,537	11,37,97,922	1,06,833	34,27,507	43,09,372	51,21,795	51,30,488	25,85,26,654	-		
Additions	-	-	-	-	-	-	-	-	-	2,77,55,595	-	-	-	-	-	12,83,675	2,90,39,270	2,90,688	
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Held for sale or included in disposal group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net exchange differences	-	-	-	-	-	-	-	-	-	3,70,06,062	-	-	-	-	-	-	-	-	3,70,06,062
Balance as at 31 March 2017	46,69,409	4,07,94,441	1,98,920	8,30,050	6,62,87,750	56,040	1,00,55,495	18,57,095	18,83,537	10,45,47,455	1,06,833	34,27,507	43,09,372	51,21,795	64,14,163	25,05,59,862	2,90,688		
Depreciation and impairment																			
Balance as at 1 April 2016	38,290	2,35,85,495	1,38,837	3,17,315	22,99,060	19,516	18,45,783	18,48,002	17,70,090	7,86,59,044	1,06,833	32,54,028	42,52,069	46,22,555	36,32,834	12,63,89,751	-		
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-	-	-	-	-	3,67,90,265	-	-	-	-	-	-	-	-	3,67,90,265
Depreciation	3,829	12,89,963	5,014	13,090	10,49,306	10,648	3,16,305	2,011	8,188	1,11,36,630	-	-	2,102	21,121	76,057	6,18,431	1,45,52,695	4,603	
Balance as at 31 March 2017	42,119	2,48,75,457	1,43,850	3,30,405	33,48,366	30,164	21,62,088	18,50,013	17,78,279	5,30,05,409	1,06,833	32,56,130	42,73,191	46,98,612	42,51,265	10,41,52,181	4,603		
Carrying amount as at 31 March 2017	46,27,290	1,59,18,984	55,070	4,99,645	6,29,39,384	25,876	78,93,407	7,082	1,05,258	5,15,42,046	0	1,71,377	36,181	4,23,184	21,62,898	14,64,07,681	2,86,085		
Carrying amount as at 1 April 2016	46,31,119	1,72,08,946	60,083	5,12,735	6,39,88,690	36,524	82,09,712	9,093	1,13,447	3,51,38,878	0	1,73,479	57,303	4,99,240	14,97,654	13,21,36,903	-		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)	31st March, 2016 (Rs.)
Note - 3 : Non-current investments			
Other investments :			
Investment in Equity instruments :	2,32,092	2,25,803	2,21,693
Total	2,32,092	2,25,803	2,21,693
Note - 4 : Other Financial Assets			
Bank Deposits having maturity more than 12 Months	73,32,832	23,44,195	82,71,809
Total	73,32,832	23,44,195	82,71,809
Note - 5 : Other Non current Assets			
(i) Capital Advances	-	-	2,40,37,000
(ii) Advances Other than Capital Advances			
a. Security deposits	1,95,79,252	1,81,03,794	1,24,75,478
Total	1,95,79,252	1,81,03,794	1,24,75,478
Note - 6 : Inventories			
Raw materials	2,32,32,946	4,93,45,823	6,53,54,816
Work-in-progress	3,82,21,839	59,10,044	,81,67,503
Finished goods (other than those acquired for trading)	5,56,31,550	8,13,29,994	4,86,26,266
Stores, spares and others	1,16,89,531	1,15,75,498	1,28,07,237
Packing Materials	7,50,356	7,63,949	3,94,503
Fuel, Oil & Gases	3,19,197	1,11,145	4,31,612
Waste (Valued at net realisable value)	1,35,662	-	-
Stock of Machinery (Trading) (valued at Cost)	-	2,35,55,439	-
Total	12,99,81,080	17,25,91,893	17,57,81,937
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 are valued at lower of Cost or net realisable value			
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 - 7 : Trade Receivables			
Unsecured, Considered Good			
Others	28,13,70,432	45,05,97,656	52,42,98,056
Total	28,13,70,432	45,05,97,656	52,42,98,056
Note - 8 : Cash and cash equivalents			
Balances with banks			
Balance with Banks			
In current accounts	22,66,472	1,23,16,372	2,68,00,536
In deposit accounts	2,08,90,104	2,58,88,908	98,43,570
Cash on hand	4,52,031	8,99,658	5,79,959
Total	2,36,08,606	3,91,04,938	3,72,24,064
Note - 9 : Loans			
Unsecured, considered good			
Loans to Related Parties	-	-	72,31,375
Total	-	-	72,31,375
Note - 10 : Current Tax Assets			
Balance with income tax authorities(Net)	32,27,875	89,93,305	27,45,270
Total	32,27,875	89,93,305	27,45,270

SUNIL INDUSTRIES LIMITED

PARTICULARS	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)	31st March, 2016 (Rs.)
Note - 11 : Other current assets			
Advances other than Capital Advances	2,43,93,586	2,48,55,112	2,58,37,975
Interest Accrued	12,04,052	13,54,006	9,41,122
Balance with Government authorities			
- Other than Income Tax Authorities	1,74,88,638	70,76,929	1,40,773
Prepaid Insurance	11,62,113	7,21,904	6,89,560
Total	4,42,48,389	3,40,07,952	3,56,09,430

Note : 12: Share Capital

A Particulars	31st March, 2018		31st March, 2017		31st March, 2016	
	Numbers	Rs.	Numbers	Rs.	Numbers	Rs.
Authorised						
Equity Shares of Rs.10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	50,00,000	5,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed & fully Paid up						
Equity Shares of Rs.10 each	42,00,000	4,20,00,000	42,00,000	4,20,00,000	42,00,000	4,20,00,000
Less : Calls in Arrears		16,000		16,000		16,000
Total	42,00,000	4,19,84,000	42,00,000	4,19,84,000	42,00,000	4,19,84,000

B Reconciliation of the number of shares outstanding is set out below :

At the beginning of the year	42,00,000	4,19,84,000	42,00,000	4,19,84,000	42,00,000	4,19,84,000
Shares Issued during the year	-	-	-	-	-	-
At the end of the year	42,00,000	4,19,84,000	42,00,000	4,19,84,000	42,00,000	4,19,84,000

C Detail of shareholders holding more than 5% of shares in the company

A Particulars	31st March, 2018		31st March, 2017		31st March, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Sunil Exim Pvt Ltd	3,44,900	8.21	3,44,900	8.21	3,44,900	8.21
Saroj Vinod Lath	3,35,200	7.98	3,35,200	7.98	3,35,200	7.98
Rajshree Fiscal Services Ltd	3,17,500	7.56	3,17,500	7.56	3,17,500	7.56
Vinod Gajanand Lath	3,22,200	7.67	3,22,200	7.67	2,74,000	6.52
Laxmikant Vinod Lath	2,35,600	5.61	2,35,600	5.61	2,35,600	5.61

E Aggregate No. of Shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 Years immediately preceding the reporting date.

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

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PARTICULARS	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)	31st March, 2016 (Rs.)
Note - 13 : Other Equity			
General Reserves			
Opening Balance	14,08,57,634	14,08,57,634	14,08,57,634
(+)/(-) Transfer	-	-	-
Closing Balance	14,08,57,634	14,08,57,634	14,08,57,634
Securities Premium Account			
Opening Balance	4,92,80,289	4,92,80,289	4,93,43,289
(+)/(-) Transfer	-	-	63,000
Closing Balance	4,92,80,289	4,92,80,289	4,92,80,289
Surplus			
Opening balance	9,75,83,752	8,21,58,182	5,69,69,319
(+) Net Profit / (Net Loss) for the current year	1,45,15,928	1,54,25,570	2,51,88,863
(-) Assets written off **	-	-	-
Closing Balance	11,20,99,680	9,75,83,752	8,21,58,182
Total	30,22,37,603	28,77,21,675	27,22,96,105

Note - 14 : Borrowings

Secured Loan

1. Term Loans From Bank

Yes Bank Term Loan	11,80,857	34,30,215	63,48,491
ICICI Bank (Vehicle Loan)	7,66,633	-	-

2. From Others

Edlelweiss Housing Finance Ltd.	3,08,46,511	3,56,08,305	3,95,64,777
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Unsecured Loans

Inter Corporate Deposit	10,97,99,101	13,16,54,002	6,00,00,000
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Total

14,25,93,102	17,06,92,522	10,59,13,268
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Notes:

- 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.
- Car loan from ICICI Bank is secured by hypothecation of Innova Motor car.
- Loan from Edelweiss Housing Finanace Ltd secured by mortgage of residential property at Sunbean May Flower chs Ltd, Peddar Road, Mumbai-400026.

PARTICULARS	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)	31st March, 2016 (Rs.)
Note - 15 : Deferred tax liability (Net)			
Deferred tax liability			
Net Block as per Companies Act	15,78,80,205	14,20,66,476	13,21,36,903
Net Block as per Income Tax Act	11,92,88,122	11,29,40,929	10,36,18,627
Difference	3,85,92,083	2,91,25,548	2,85,18,277
Deferred tax liability (A)	1,28,83,581	96,29,780	94,28,998
Deferred tax assets			
Expenditure to be disallowed u/s 43B -			
Bonus	4,29,500	3,02,500	2,42,500
Gratuity	3,32,294	-	1,83,726
	7,61,794	3,02,500	4,26,226
Deferred tax assets (B)	2,51,872	1,00,016	1,40,923
Net Deferred Tax Liability (Closing)	1,26,31,709	95,29,764	92,88,075
Less : Net Deferred Tax Liability (Opening)	95,29,764	92,88,075	92,26,488
Net Deferred Tax Liability to be recognized in Profit & Loss Account.	31,01,945	2,41,689	61,587

SUNIL INDUSTRIES LIMITED

PARTICULARS	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)	31st March, 2016 (Rs.)
Note - 16 : Provisions			
Provision for employee benefits :			
Gratuity	1,66,780	-	1,83,726
Total	1,66,780	-	1,83,726
Note - 17 : Borrowing			
<u>Loans Repayable on Demand</u>			
<u>Secured loan</u>			
From Banks	5,74,13,312	16,75,29,780	15,14,81,438
From others	-	-	14,99,99,925
Total	5,74,13,312	16,75,29,780	30,14,81,363
Note - 18 : Trade payables			
Unsecured :			
Trade payables	7,30,97,479	15,40,58,173	20,24,20,271
Total	7,30,97,479	15,40,58,173	20,24,20,271
Note - 19 : Other Financial Liabilities			
Current maturities of Term Loan*	27,44,037	29,18,276	25,89,823
Current maturities of Housing Loan*	47,10,995	43,60,089	39,72,725
Total	74,55,032	72,78,365	65,62,548
[*Refer Note 14 for security]			
Note - 20 : Current Tax Liabilities			
Income Tax	-	57,02,000	59,20,649
Total	-	57,02,000	59,20,649
Note - 21 : Other Current Liabilities			
Statutory dues	20,34,995	18,75,867	41,13,806
Other Liabilities	2,66,22,485	2,06,20,841	27,79,784
Outstanding expenses	52,52,713	53,67,815	68,46,920
Total	3,39,10,193	2,78,64,523	1,37,40,510
Note - 22 : Provisions			
Provision for employee benefits :			
Gratuity	1,65,514	-	-
Bonus	4,29,500	3,02,500	2,42,500
Total	5,95,014	3,02,500	2,42,500

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PARTICULARS	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)
Note - 23 : Revenue from operations		
Sale of product :		
Sale of product :	1,50,20,65,044	1,40,09,47,669
Sale of service :		
Processing Charges	3,34,23,074	3,04,86,732
Total	<u>1,53,54,88,117</u>	<u>1,43,14,34,401</u>
Detail of Sales		
Sale of products comprises		
Cloth	1,42,66,52,979	1,29,16,01,807
Made-Ups	7,17,95,556	3,11,25,981
Yarn	52,829	7,68,19,881
Machinery	-	14,00,000
Cotton Sales	30,36,686	-
Polyester Sales	1,39,081	-
Waste Sales	3,87,913	-
Stock Transfer Sales (Branch Transfer)	-	-
Sale of service :		
Processing Charges	3,34,23,074	3,04,86,732
Total	<u>1,53,54,88,117</u>	<u>1,43,14,34,401</u>
Note - 24 : Other income		
Interest income	23,49,669	24,21,978
Excess Provision of Gratuity Written-back	-	1,83,726
Sundry Balances Written Back	37,319	-
Profit on sale of fixed Asset	23,36,506	7,56,603
Total	<u>47,23,494</u>	<u>40,44,302</u>
Note - 25 : Cost of materials consumed		
Raw Material Consumed		
Opening Stock	4,93,45,823	6,53,54,816
Add: Purchases	1,20,25,60,594	1,04,82,40,673
	<u>1,25,19,06,417</u>	<u>1,11,35,95,489</u>
Less: Closing stock	2,38,86,838	4,93,45,823
Freight	14,57,327	-
Total Consumption	<u>1,22,94,76,906</u>	<u>1,06,42,49,666</u>
Raw Material Comprises of:		
(A) Yarn	8,46,78,582	15,41,29,793
(B) Cloth	1,03,71,54,863	80,13,97,756
(C) Fibre	8,07,27,148	9,27,13,124
	<u>1,20,25,60,594</u>	<u>1,04,82,40,673</u>
Note 26 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	5,68,62,802	8,13,29,994
Work-in-progress	3,64,72,356	59,10,044
Stock of Machinery (Trading)	-	2,35,55,439
	<u>9,33,35,158</u>	<u>11,07,95,478</u>
Inventories at the beginning of the year:		
Finished goods	8,13,29,994	4,86,59,156
Work-in-progress	59,10,044	4,81,67,503
Stock of Machinery (Trading)	-	-
	<u>8,72,40,039</u>	<u>9,68,26,658</u>
Net (increase) / decrease	<u>-60,95,120</u>	<u>-1,39,68,819</u>

SUNIL INDUSTRIES LIMITED

PARTICULARS	31st March, 2018 (Rs.)	31st March, 2017 (Rs.)
Note - 27 : Employee benefit expenses		
Salaries & wages	1,89,85,476	1,54,86,118
Contributions to provident and other fund	28,45,570	9,96,516
Staff welfare expenses	13,22,707	13,51,714
Total	2,31,53,753	1,88,34,348
Note - 28 : Finance costs		
Interest Expenses		
(i) on Borrowings	1,73,91,516	1,27,14,864
(ii) others-		
- on Working Capital	74,17,350	92,53,733
- on Fixed Loan	44,46,706	55,62,490
- on Income Tax	1,78,169	2,06,792
Other Borrowing Cost		
(i) Bank Charges and Commission	14,29,432	30,80,967
(ii) Bills Discounting	-	63,97,412
Total	3,08,63,172	3,72,16,257
Note - 29 : Other expenses		
MANUFACTURING EXPENSES		
Processing and Labour Charges	1,54,10,807	3,48,25,045
Weaving & Other Mfg exp	4,74,26,867	3,92,95,200
Stores, Dyes and Chemicals consumed	5,26,79,229	6,69,62,746
Power and Fuel	4,51,18,169	4,42,77,540
Water Charges	33,40,690	33,50,631
Repairs to Building	21,18,585	48,65,949
Repairs to Machinery	26,45,843	39,90,844
Repairs to Others	7,94,228	12,27,648
Screen Design Expenses	96,400	2,14,501
Packing Material consumed	42,70,440	32,29,210
ADMINISTRATIVE EXPENSES		
Corporate Social Responsibility	3,68,410	3,20,321
Rent, Rates and Taxes	15,13,584	17,18,136
Insurance Charges	17,62,818	14,85,628
Travelling and Conveyance	23,72,604	16,17,359
Other Expenses	1,73,73,192	1,41,35,104
Freight, Octroi and Forwarding Expenses	1,41,00,573	1,22,28,024
Auditors's Remuneration	2,86,500	4,57,700
Annual Custody Fees	27,600	35,070
SELLING EXPENSES		
Advertisement and Sales Promotion	13,91,344	26,05,156
Brokerage and Commission	41,85,882	60,06,765
Total	21,72,83,765	24,28,48,576
Payments to auditor		
For Audit Fee	2,80,000	2,87,500
For others	6,500	25,300
For Tax Audit Fee	-	1,44,900
Total	2,86,500	4,57,700
Depreciation & Amortization Expenses		
Depreciation on Tangible Assets	1,30,86,168	1,45,52,695
Depreciation on Intangible Assets	4,603	4,603
Total	1,30,90,771	1,45,57,298

Notes Forming Part of the Financial Statements

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 standalone Ind AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provision of the Companies Act, 2013 (to the extent notified) and guideline issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 first time adoption of Indian Accounting Standards generally accepted in India as prescribed under section 133 of the Act read with rule 7 of Companies (Accounts) Rules, 2016 which was the previous GAAP. The accounting policies adopted in the preparation of standalone Ind AS financial statement are consistent with those of previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions effect the application of a accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditure during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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 insignificant 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 Property, plant and equipment:

Fixed assets are stated at cost of acquisition less accumulated depreciation if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready to use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Lease hold Land	99 years
Factory Building	30 years
Plant & machinery	25 years
Vehicles	10 years
Computer	03 years
Furniture	10 years
Office Equipment	05 years

Depreciation methods, useful lives and residual value are reviewed periodically, including at each financial year end. "Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013". Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work – in - progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.6 Intangible assets:

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight – line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

2.7 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 & loss account as and when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Other income

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

2.9 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.

2.10 Foreign currency transactions and translations

Functional Currency

The functional currency of the company is the Indian Rupee. The financial statements are presented in Indian Rupees

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.11 Investments

A. Financial instrumentsi. Financial assets

1. Equity instrumentsAll equity investments are measured at fair value, with value changes recognised in the statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'other comprehensive income'

2.12 Employee benefits

- a. Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b. Post employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The defined benefit obligation is provided for on the basis of an actuarial valuation on projected unit cost method.
- c. Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The liabilities on account of leave encashment have been provided on basis of an actuarial valuation on projected unit cost method.

As per Indian Accounting Standard 19 "Employee Benefits", the disclosure of Employee benefits as defined in the Indian Accounting Standard are given below:

Defined Benefit Plan:

Gratuity (Funded)	31/03/2018	31/03/2017
Reconciliation of Fair Value of Plan Assets	Rs.	Rs.
Present Value of Defined Benefit Obligation as at the Beginning of the Year	26,10,395	23,80,651
Interest Cost	1,83,575	1,80,929
Current Service Cost	1,37,868	1,32,729
Net Actuarial (Gain) / Loss		
Due to Change in financial assumptions	-1,17,117	1,07,305
Due to Change in demographic assumption	-	-
Due to Change in experience adjustments	2,57,221	-82,594
Past Service Cost	5,41,749	-
Benefits Paid	-1,17,750	-1,08,635
Present Value of Obligations as at end of the year	34,95,941	26,10,385
Reconciliation of Fair Value of Plan Assets		
Fair Value of Plan Assets as at the Beginning of the Year	22,74,728	21,96,925
Interest Income	28,421	12,438
Expected Return on Plan Assets excluding interest income above	1,64,371	1,66,966
Net Actuarial (Gain) / Loss	-	-
Benefits Paid	-1,17,750	-1,08,635
Employer's Contribution	8,13,877	7,034
Fair Value of Plan Assets as at the End of the Year	31,63,647	22,74,728
Reconciliation of Fair Value of Assets and Obligations		
Fair Value of Plan Assets	-31,63,647	-22,74,728
Present Value of Obligation	34,95,941	26,10,395
Amount recognised in Balance Sheet (Surplus/(Deficit))	3,32,294	3,35,667
Expenses recognised during the year		
In Income Statement		
Current Service Cost	1,37,868	1,32,739
Interest Cost	19,204	13,963
Past Service Cost*	5,41,749	-
Net Cost charge to P&L	6,98,821	1,46,702
In Other Comprehensive Income	-	-
Actuarial (Gain)/Loss		
Due to Change in financial assumptions	-1,17,117	1,07,305
Due to Change in demographic assumption	-	-
Due to Change in experience adjustments	2,57,221	-82,594
Return on Plan Assets	-28,421	-12,438
Net(Income)/Expense for the period Recognised in OCI	1,11,683	12,273

*Past Service cost is on account of increase in Gratuity Ceiling from Rs. 10,00,000 to Rs. 20,00,000.

Actuarial Assumptions	31/03/2018	31/03/2017
	%	%
Discount Rate(per annum)	7.55	7.20
Rate of Escalation in Salary(per annum)	7.00	7.00
Withdrawal Rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages

SUNIL INDUSTRIES LIMITED

Sensitivity to key assumptions :

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given :

Particulars	31st March, 2018		31st March, 2017	
	Increase	Decrease	Increase	Decrease
Change in discounting rate(delta effect of +/-0.5%)	33,38,606	36,65,124	24,77,304	27,54,515
Change in rate of Salary growth rate (delta effect of +/-0.5%)	36,39,281	33,54,008	27,09,843	25,05,967
Change in rate of withdrawal rate (delta effect of +/-0.5%)	35,05,477	34,86,046	26,18,576	26,01,763

2.13 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. During the previous Financial year the company had carried out activity of trading in machinery. However the revenue from processing on job work basis and trading in machinery during the year under review and in the preceding financial year is less than 10% of the total revenue, the disclosure requirements of Indian Accounting Standard issued by the Institute of chartered Accountants Of India are not applicable. Since there are no exports reporting on geographical segments is not required.

2.14 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
arefab Textiles pvt ltd	

Name of Key Management Personnel and their relatives :

Mr. Vinod Lath – Managing Director	Mr. Laxmikant Lath – Relative of KMP
Mr. Ramesh Khanna- Whole time Director	Mr. Pradeep Roongta – Whole time Director and Chief Financial Officer
Mr. Prateek Rungta- Relative of KMP	Mrs. Saroj Lath – Relative of KMP
Mrs. Beena Rungta – Relative of KMP	Mrs. Vandana Lath – Relative of KMP
Mr Rohit Gadia- Director	Mr Mohd Iqbal- Director (Upto 03.06.2017)
Mrs. Shruti Saraf- Director	Mr.Rajesh Tibrewal- Director (From 22.08.2017)
Mrs. Neha Thanvi- Company Secretary(From 22.08.2017)	

Note: Related parties have been identified by the Management.

Details of related party transactions during the year and balances outstanding as at 31 March, 2018:

B) Transactions with Related Parties :

<u>Nature of Transaction:</u>	<u>31/03/2018</u> <u>In Lakhs</u>	<u>31/03/2017</u> <u>In Lakhs</u>
a) Transactions with enterprises controlled by directors & Relative		
1. Cloth Purchase	2,451.78	130.70
2. Cloth Sales	-	-
3. Interest Paid	-	28.73
4. Rent Paid	6.05	6.05
5. Weaving Charges	51.20	-
6. Loan repayment received	-	79.00
7. Loan Given	-	-
8. Loan Taken	-	283.00
9. Loans Repaid	-	283.00
b) Transactions with key management person		
Remuneration to KMP	36.76	30.42
c) Transactions with Relatives of KMP		
Salary Paid	14.40	14.40

2.15 Earnings per share

Earnings per equity share is computed as under-	31/03/2018	31/03/2017
Numerator - Profit after Tax	1,45,15,928	1,54,25,570
Denominator - as the weighted average no of shares at the end of the year.	42,00,000	42,00,000
Basic and diluted EPS	3.46	3.67

2.16 Taxes on income

- a. Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable.
- (ii) Deferred tax is recognised subject to the consideration of prudence, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.17 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the standalone Ind AS financial statements.

2.18 Contingent Liabilities not provided for:

Particulars	31/03/2018	31/03/2017
	In Lakhs	In Lakhs
i) Disputed Excise Duty liability*	141.30	450.24
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	737.52	629.54
iv) Disputed TNVAT liability (Inclusive of penalty of ` 20.82 lakhs)	28.05	28.05
v) Income Tax	-	26.03

* In the case of Excise Duty Liability, the Company had filed the appeal to CEGAT. During the year the order was passed by CEGAT and has remanded the matter back to the Adjudicating Authority namely Commissioner of Central Excise, Thane-I. The management is of the view that the said demand will be deleted for which no liability will arise and in view of the same no provision is made as it will not impact the financial statements.

** In the case of Custom duty, the contingent liabilities is on account of the "departmental" appeal filed by custom authorities, the company had in fact received the order in its favour, in the first appeal. Therefore the management of the company is of the view that the departmental appeal would be dismissed in favour of the company, hence the same is shown as a contingent liability and no provision is made as it will not impact the financial statements.

*** In the case of TNVAT Liability, the company has filed appeal to the Sales Tax/VAT authorities. The management is in the view that the demands will be deleted and no provision is to be made as this will not impact the financial statements.

2.20 Capital Commitments

- i) Estimated amount of Capital Contracts remaining to be executed (net of advances)

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.

SUNIL INDUSTRIES LIMITED

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:

Indigenous	525.55	669.63
Imported	1.24	-
Total	526.79	669.63

Expenditure in Foreign Currency:

C.I.F Value of Stores Imported	1.24	-
Cloth Imported	29.56	-
Purchase of Machinery	-	160.62
Purchase of Machinery (Trading)	-	205.96

5.2 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

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 P.R. Agarwal & Awasthi
CHARTERED ACCOUNTANTS
sd/-

C.A. P.R. Agarwal
(PARTNER)

Membership Number- 34147
Firm Reg No.:117940W

PLACE : Mumbai

DATE : 30-May-2018

For and on behalf of the Board of Directors
For Sunil Industries Limited

sd/-

Vinod Lath (Chairman & Managing Director)
(DIN:00064774)

sd/-

Pradeep Roongta (Wholetime Director & CFO)
(DIN:00130283)

PLACE : Mumbai

DATE : 30-May-2018

Form No. SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014].

To,
Sunil Industries Limited
D-8, MIDC, Phase II,
Manpada Road, Dombivli (E),
Dist. Thane

I _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio. No	No. of securities	Certificate No.	Distinctive No.	
				From	To

(2) PARTICULARS OF NOMINEE(S) —

Name:		Date of Birth:	
Father's/Mother's/ Spouse's name:		Occupation:	
Address:		Nationality:	
Relationship with the security holder:		Phone No. Mobile No.	
E-mail id:			
Signature of Nominee		IT PAN	

(3) IN CASE NOMINEE IS A MINOR—

Name:	Date of Birth:
Name of guardian:	Date of attaining majority:
Address of guardian:	Relationship with Minor

Name of Security Holder(s)	Signature
1.	

Witness 2	Signature
Name :	
Address :	

Place :

Date :

SUNIL INDUSTRIES LIMITED

Please fill this Nomination form in Duplicate after carefully reading the instructions given below:

1. The Nomination can be made by individuals only holding shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in "duplicate" should be lodged with the Registrar and Share transfer Agent of the Company i.e. M/s. Link Intime (India) Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083. Tel: +91 22 49186270 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in.
7. The shareholder[s] can make Cancellation or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
8. Nomination stands cancelled whenever the shares in the given folio are transferred /dematerialized. Also, in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Further more the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. A copy of photo identity proof (like PAN/Passport) of nominee is required.

FOR OFFICE USE ONLY

Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

Form No. SH-14

Cancellation or Variation of Nomination [Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,
Sunil Industries Limited
D-8, MIDC, Phase II,
Manpada Road, Dombivli (E),
Dist. Thane

I /We hereby cancel the nomination(s) made by me/us in favor of..... (name and address of the nominee) in respect of the below mentioned securities

or
I/We hereby nominate the following person in place of as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death

PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio. No	No. of securities	Certificate No.	Distinctive No.	
				From	To

(2) PARTICULARS OF NOMINEE(S) —

Name:		Date of Birth:	
Father's/Mother's/ Spouse's name:		Occupation:	
Address:		Nationality:	
Relationship with the security holder:		Phone No. Mobile No.	
E-mail id:			
Signature of Nominee		IT PAN	

(3) IN CASE NOMINEE IS A MINOR—

Name:	Date of Birth:
Name of guardian:	Date of attaining majority:
Address of guardian:	Relationship with Minor

Name of Security Holder(s)	Signature
1.	

Witness 2	Signature
Name :	
Address :	

Place :

Date :

SUNIL INDUSTRIES LIMITED

Please fill this Cancellation or Variation Nomination form in Duplicate after carefully reading the instructions given below:

1. The Nomination can be made by individuals only holding shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in "duplicate" should be lodged with the Registrar and Share transfer Agent of the Company i.e. M/s. Link Intime (India) Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083. Tel: +91 22 49186270 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in..
7. The shareholder[s] can make Cancellation or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
8. Nomination stands cancelled whenever the shares in the given folio are transferred /dematerialized. Also, in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Further more the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. A copy of photo identity proof (like PAN/Passport) of nominee is required.

FOR OFFICE USE ONLY

Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

42nd Annual General Meeting – at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on Thursday, 27th September, 2018 at 11.00 AM.

SUNIL INDUSTRIES LIMITED

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

ATTENDANCE SLIP

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

1.	Name of the Member(s) :	
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 :	

I/We hereby record my /our presence at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on Thursday, 27th September, 2018 at 11.00 am.

Member's / Proxy's Signature

Note:

1. Please complete the above details and sign this attendance slip and hand it over at the attendance verification counter at the meeting hall.
2. Electronic copy of the Annual Report for FY 2017 -2018 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. Members receiving electronic copy and attending the AGM can print copy of this attendance slip.
3. Physical copy of the Annual Report for 2017-2018 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 Office: D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane

ELECTRONIC VOTING PARTICULARS		
EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
180820059		

Note - Please read instructions given in the Notice of the 42nd Annual General Meeting Carefully before Voting electronically.

SUNIL INDUSTRIES LIMITED

42nd Annual General Meeting – at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on Thursday, 27th September, 2018 at 11.00 AM.

PROXY FORM SUNIL INDUSTRIES LIMITED

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

41st Annual General Meeting – at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on 28th September, 2016 at 11.00 AM.

Fortieth Annual General Meeting –

Name of the Member(s) :
Registered address :
E-mail Id :
Folio No. / Client ID No. :
DP ID No :

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

Name		Email Id	
Address		Signature	

or Failing him

Name		Email Id	
Address		Signature	

or Failing him

Name		Email Id	
Address		Signature	

As per my/our proxy to vote (on a poll) for me/us on my/our behalf at the 42nd Annual General Meeting of the Company to be held on **Thursday, 27th September, 2018** at 11.00 a.m at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on and adjournment thereof.

Ordinary Business

1. **Ordinary Resolution** for adoption of Audited Financial Statements for the year ended 31st March, 2018.
2. **Ordinary Resolution** for Appointment Mr. Ramesh Khanna who is retiring by rotation and being eligible, offers himself for re-appointment.

Special Business

3. **Ordinary Resolution** approval of remuneration of M/S P R Agarwal & Awasthi Chartered Accountants, Mumbai (FRN 117940W), Chartered Accountant the statutory Auditors of the Company for Financial year 2018-19
4. **Ordinary Resolution** for ratification of remuneration paid to 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 financial year 2018-19 for remuneration of Rs. 125000/- p.a plus service taxes.
5. **Ordinary Resolution** for approval of Related Party Transactions upto the Maximum Limits as specified with the related parties.
6. **Special Resolution** for approval of maximum amount for creation of charge on the assets and to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking in excess of limits specified under section 180 (1) (a) of companies act, 2013
7. **Special Resolution** for approval for increase in borrowing limits in excess of limits specified under section 180 (1) (c) of companies act, 2013
8. **Special Resolution** for approval for making investment(s), loans, guarantees and security in excess of limits specified under section 186 of companies act, 2013.

Signed this _____ day of _____ 2018

Signature of the Shareholders _____

Signature of Proxy _____

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 40th 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

Affix
Signature
Revenue
Stamp

**42nd Annual General Meeting – at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on
Thursday, 27th September, 2018 at 11.00 AM.**

ASSENT/DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

SUNIL INDUSTRIES LIMITED

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

42nd Annual General Meeting – 27th September, 2018

1.	Name(s) & Registered Address : Of the sole / first 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.	Class of Shares:	
5.	Number of Shares(s) held :	

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 **14th August, 2018** 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
1	Ordinary Business Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2018.		
2	Ordinary Resolution for re-appointment of Mr. Pradeep Roongta, Whole Time Director (holding Din 00130283) who is retiring by rotation and being eligible offers himself for re-appointment		
3	Ordinary Resolution approval of remuneration of M/S P R Agarwal & Awasthi Chartered Accountants, Mumbai (FRN 117940W), Chartered Accountant the statutory Auditors of the Company for Financial year 2018-19		
	Special Business		
4	Ordinary Resolution for ratification of remuneration paid to 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 financial year 2018-19 for remuneration of Rs. 125000/- p.a plus service taxes.		
5	Ordinary Resolution for approval of Related Party Transactions upto the Maximum Limits as specified with the related parties.		
6	Special Resolution for approval of maximum amount for creation of charge on the assets and to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking in excess of limits specified under section 180 (1) (a) of companies act, 2013.		
7	Special Resolution for approval for increase in borrowing limits in excess of limits specified under section 180 (1) (c) of companies act, 2013		
8	Special Resolution for approval for making investment(s), loans, guarantees and security in excess of limits specified under section 186 of companies act, 2013		

Place:

Signature of the Member

Date:

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: **26th September 2018 (5.00 pm)**

iii) Please read the instructions printed overleaf carefully before exercising your vote.

General Instructions

- 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.
- The notice of Annual General Meeting is dispatch/ e-mailed to the members whose names appear on the Register of Members as on **24th August, 2018**.
- 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

- 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 **5.00 pm on 26th September, 2018**. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
- 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.
- 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.
- The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (v) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
- Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- There will be one Assent/ Dissent Form for every folio / Client id irrespective of the number of joint holders.
- 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.
- 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.
- The Scrutinizers decision on the validity of the Assent/ Dissent Form will be final and binding.
- Incomplete, unsigned or incorrectly ticked Assent/ Dissent Forms will be rejected.

If undelivered, please return to

SUNIL INDUSTRIES LIMITED

CIN No: L99999MH1976PLC019331

Regd. Office:

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Dombivli (East), Thane, Maharashtra-421203
Web: www.sunilgroup.com, Tel:0251-2870749