

**43<sup>rd</sup>**  
**ANNUAL REPORT**  
**2018-2019**



**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
MS. ASTHA JAIN (ACS: 55391)	: 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, Vedsandur 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

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**43<sup>rd</sup> ANNUAL GENERAL MEETING**

<b>Date</b>	: 28 <sup>th</sup> September, 2019
<b>Day</b>	: <i>Saturday</i>
<b>Time</b>	: 11.00 AM
<b>Place</b>	: D-8, MIDC Phase II, Manpada Road, Dombivli (East), Dist – Thane, 421-203

## SUNIL INDUSTRIES LIMITED

### 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 43<sup>rd</sup> ANNUAL GENERAL MEETING OF MEMBERS OF SUNIL INDUSTRIES LIMITED WILL BE HELD ON SATURDAY THE 28<sup>TH</sup> SEPTEMBER, 2019 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 for the year ended 31<sup>st</sup> March 2019 together with the Reports of the Board of Directors and the Auditors thereon.

##### Item no. 2:

To appoint Mr. Ramesh Khanna, Whole Time Director (Holding DIN 00130283) who retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

##### Item no. 3:

To appoint auditors for the Company and to provide and approve their remuneration.

#### SPECIAL BUSINESS:

##### Item no. 4: RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR FOR FINANCIAL YEAR 2019-20:

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 2019-20 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 of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto”

##### 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 2019 – 20 to FY 2024-25	EskeTex (India) Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	75
2.	Specific approval for each financial year for a period of five years from FY 2019 – 20 to FY 2024-25	Sunil Fabrics Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	75
3.	Specific approval for each financial year for a period of five years from FY 2019 – 20 to FY 2024-25	Sunil Synthetics Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	75
4.	Specific approval for each financial year for a period of five years from FY 2019 – 20 to FY 2024-25	Sunil Prints Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	75

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5.	Specific approval for each financial year for a period of five years from FY 2019 – 20 to FY 2024-25	Sunil EXIM Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	75
6.	Specific approval for each financial year for a period of five years from FY 2019 – 20 to FY 2024-25	Sunil Bleaching Co. Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	75
7.	Specific approval for each financial year for a period of five years from FY 2019 – 20 to FY 2024-25	Rarefab Textiles Private Limited	a) Sale and/or purchase of chemicals/materials b) Availing or rendering of Services c) Leasing of property	75

**RESOLVED FURTHER THAT** any Director and/or Company Secretary 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: RE-APPOINTMENT OF ROHIT GADIA AS AN INDEPENDENT DIRECTOR:**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Rohit Gadia (DIN 02175342), who was appointed as an Independent Director at the 38<sup>th</sup> Annual General Meeting of the Company and who holds office up to 31<sup>st</sup> March, 2019, being eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed on the basis of Recommendation and performance evaluation by Nomination and Remuneration Committee as an Independent Director of the Company, not liable to retire by rotation, to hold office for a Consecutive Second Term of Five years commencing with effect from 1<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024.”

**RESOLVED FURTHER THAT** any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto”

**Item no. 7: ALTERATION OF MEMORANDUM OF ASSOCIATION AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Section 4, 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and Rules made thereunder and in accordance with the Table A of the Schedule I of the Act, and Subject to the approval of other Competent authorities, as may be required, consent of the members be and is hereby accorded for alteration in the Memorandum of Association of the Company as per the following:

1. The words “(THE COMPANIES ACT, 1956)” be and are hereby substituted by the words “The Companies Act, 2013,” wherever they are mentioned in the Objects of the Company and in the Heading of the Memorandum of Association of the Company.
2. The existing main Objects no. 2 and 3 of the existing Memorandum under clause III A shall stand completely deleted and will be replaced by combining existing objects 2 and 3 as the following object reproduced as below:  
**To undertake Dyeing, Bleaching, Sanforising, mercerising, printing or otherwise, processing of Man made Fibres, Cotton Fibres, Fabrics of Cotton, Silk, Rayon, Wool, Jute, Hemp and other Fibre and fabrics of textile products whether on Handlooms or power Looms or in Textile Mills or other Factories and whether on the Company’s own account and on behalf of others; and to run a process house.**
3. By merging, the Objects of the Company mentioned under existing Clause III (C) from Serial no. 34 to serial no. 40 in Clause III (B)
4. By Deleting entirely, the Objects of the Company mentioned under existing Clause III (C) – Other Objects from Serial no. 41 to serial no. 71
5. Re - numbering the objects to be in Continuity as per ascending order from 1 to 40 (Both Inclusive).
6. Deletion of the existing clause IV of the Memorandum of Association and be hereby replaced by new Clause IV as reproduced below: -

**The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.**

**RESOLVED FURTHER THAT** in accordance with the Table A of the Schedule I of the Act, the Clause III (A) and III (B) of the Memorandum of Association of the Company, be renamed as under:

## SUNIL INDUSTRIES LIMITED

Clause III (A) – The objects to be pursued by the Company:

Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

**RESOLVED FURTHER THAT** any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto”

### **Item no. 8: RE-APPOINTMENT OF VINOD LATH AS MANAGING DIRECTOR AND APPROVAL FOR PAYMENT OF REMUNERATION**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6) and other applicable Regulations of SEBI (Listing obligations Disclosures Requirements), 2015 as amended and other applicable provisions of the Companies Act, 2013, the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Vinod Lath (DIN 00064774), as Managing Director of the Company for a period of 5 consecutive years with effect from 1<sup>st</sup> September, 2019 upto 31<sup>st</sup> August, 2024 on the terms and conditions specifically approved and mutually agreed between the Board and Mr. Vinod Lath with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and remuneration payable as per the agreement entered with the Company.

“**RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded for payment of Maximum remuneration of Rs. 2,00,00,000/- per annum of appointment of Vinod Lath (DIN 00064774), as Managing Director of the Company with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and remuneration payable per annum within the Maximum Limits as approved.

“**RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force, approval of the Members of the Corporation be and is hereby accorded for continuation of the directorship of Mr. Vinod Lath (DIN 00064774) in the Corporation, who has attained the age of seventy years, up to the expiry of his term as an Managing Director.”

**RESOLVED FURTHER THAT** any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents

with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto”

### **Item no. 9: RE-APPOINTMENT OF PRADEEP ROONGTA AS WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER AND APPROVAL FOR PAYMENT OF REMUNERATION:**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6) and other applicable Regulations of SEBI (Listing obligations Disclosures Requirements), 2015 as amended and other applicable provisions of the Companies Act, 2013, the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Pradeep Roongta (DIN: 00130283), as Whole Time Director and Chief Financial Officer of the Company for a period with effect from 1<sup>st</sup> September, 2019 upto 31<sup>st</sup> August, 2024 on the terms and conditions specifically approved and mutually agreed between the Board and Mr. Pradeep Roongta with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and remuneration payable as per the agreement entered with the Company.

“**RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded for payment of Maximum remuneration of Rs. 2,00,00,000/- per annum including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Pradeep Roongta (DIN: 00130283), as Whole Time Director and Chief Financial Officer of the Company with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and remuneration payable per annum within the Maximum Limits as approved.

**RESOLVED FURTHER THAT** any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto”

### **Item No. 10: RE-APPOINTMENT OF RAMESH KHANNA AS WHOLE TIME DIRECTOR AND APPROVAL FOR PAYMENT OF REMUNERATION:**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 and pursuant to the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6) of SEBI (Listing obligations Disclosures Requirements), 2015 as amended and other applicable provisions of the Companies Act, 2013, the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Ramesh Khanna (DIN: 00130351), as Whole Time Director of the Company for a period with effect from 1<sup>st</sup> September, 2019 upto 31<sup>st</sup> August, 2024 on the terms and conditions specifically approved and mutually agreed between the Board and Mr. Pradeep Roongta with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and remuneration payable as per the agreement entered with the Company.

**“RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded for payment of Maximum remuneration of Rs. 2,00,00,000/- per annum including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Mr. Ramesh Khanna (DIN: 00130351), as Whole Time Director of the Company with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and remuneration payable per annum within the Maximum Limits as approved.

**“RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force, approval of the Members of the Corporation be and is hereby accorded for continuation of the directorship of Ramesh Khanna (DIN: 00130351) in the Corporation, who shall attain the age of seventy years, during and up to the expiry of his term as an Whole Time Director.”

**RESOLVED FURTHER THAT** any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto”

**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. 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. 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. 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.

- 2) Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
- 3) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
- 4) 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.
- 5) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from **Monday, 23<sup>rd</sup> September, 2019 to Saturday, 28<sup>th</sup> September, 2019 (both days inclusive)**.
- 6) 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.
- 7) To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (“DPs”) in case the shares are held by them in electronic form and with Share Transfer Register in case the shares are held by them in physical form.
- 8) 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.
- 9) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- 10) 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.
- 11) 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.
- 12) Electronic copy of the Notice of the 43<sup>rd</sup> 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 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 43<sup>rd</sup> Annual General Meeting of the Company inter alia indicating

## SUNIL INDUSTRIES LIMITED

- the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 13) Members may also note that the Notice of the 43<sup>rd</sup> Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website [www.sunilgroup.com](http://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](mailto:info@sunilgroup.com).
- 14) 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.
- 15) 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 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](mailto:rnt.helpdesk@linkintime.co.in) Website: <http://www.linkintime.co.in>.
- 16) 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).
- 17) Voting through electronic means:
- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote at the 43<sup>rd</sup> 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.
  - The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.
  - The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
- 18) In case of members receiving e-mail:
- The voting period begins on **Wednesday, 25<sup>th</sup> September, 2019 at 9.00 am and ends on Friday, 27<sup>th</sup> September, 2019 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 **Saturday, 21<sup>st</sup> September, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - Open e-mail
  - Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
  - Click on "Shareholders" tab.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification Code / Captcha Code as displayed and Click on Login.
  - If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and had cast your vote earlier for EVSN of any company/entity, then your existing password is to be used.
  - If you are a first-time user follow the steps given below.  
Now, fill up the following details in the appropriate boxes:
- | For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| PAN*   | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)<br>For physical shareholders, please use the first two letters of your Name and the 8 digits of the sequence number in the PAN field.<br>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 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#                                     | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>Please enter the DOB or Dividend Bank Details in order to login. If both the details are not recorded with the depository or company 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 **190809020** 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 19) 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.evotingindia.com](http://www.evotingindia.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 **Saturday, 21<sup>st</sup> September, 2019**.
- (F) Mr. Prasad Chavan 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 <http://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. Prasad Chavan, Partner of HS Associates, Practicing Company Secretaries, at the Registered office of the Company not later than **Friday, 27<sup>th</sup> September, 2019 (5.00 pm IST)**.



## SUNIL INDUSTRIES LIMITED

- (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.

20) 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.

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 : 14<sup>th</sup> August, 2019**  
**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 14<sup>th</sup> August, 2019 has approved 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 the Company for the Financial Year 2019 -20.

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 2019 - 20.

The Board of Directors accordingly recommends the Resolutions set out at Item No. 3 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 2019 -20.

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 2019 - 20.

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 anyway, 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 exceeds 10% of the annual consolidated turnover of the Company as per the last Audited Financial Statements of the Company.

EskeTex (India) Private Limited; Sunil Fabrics Private Limited; Sunil Synthetics Private Limited; Sunil Prints Private Limited; Sunil EXIM Private Limited; Sunil Bleaching Co. Private Limited & Rarefab Textiles Private Limited 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.

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.

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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:**

Mr. Rohit Gadia is a Non-Executive Independent Director of the Company. He is member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

Mr. Rohit Gadia holding DIN 02175342 is 35 years of age and is MBA by Educational Qualification and is Technocrat having experience in Financial Management. He has over the years gained immense experience and knowledge in the field of Accounting and Finance.

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

In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Rohit Gadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31<sup>st</sup> March, 2024.

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

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

Sr. No	Particulars	Remarks
1.	Reason for change viz. appointment, resignation, removal, death or otherwise	Re-appointment of Mr. Rohit Gadia holding DIN 02175342 additional Independent Director of the Company for a second consecutive term of 5 years with effect from 01 <sup>st</sup> April, 2019 subject to approval by the Shareholders of the company by a special resolution.
2.	Date of appointment	Re- appointment from 01 <sup>st</sup> April, 2019
3.	Term of appointment	01 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024
4.	Brief profile	Mr. Rohit Gadia holding DIN 02175342 is 35 years of age and is MBA by educational Qualification and is Technocrat having experience in Financial Management. He has over the years gained immense experience and knowledge in the field of Accounting and Finance. Mr. Rohit Gadia being, MBA has immense knowledge about the industry and is also aware of Accounting and Financial Aspects of the Industry. His knowledge and presence as Independent Director on the Board of the Company will help in bringing more experience and a neutral and impartial view towards the functioning of the Company.
5.	Disclosure of relationships between directors (in case of appointment of a director)	Mr. Rohit Gadia is not related to any other Director of the Company
6.	No. of Shares held	NIL

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

**Item No. 7:**

The Company was incorporated under Companies Act, 1956, further it is required to align the MOA in line with Companies Act, 2013 and also after the repeal of Companies Act, 1956 it further becomes more appropriate to align the MOA as per provisions of Companies Act, 2013.

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by deleting the certain Objects under Clause III (C) – and also to rename the Clause III (A) and III (B) of the Object Cause.

The Board at its meeting held on 14<sup>th</sup> August, 2019 has approved alteration of the MOA of the Company and the Board now seeks Members approval for the same.

The revised Memorandum of Association of Company is available for inspection during continuance of ensuing Annual General Meeting.

Therefore, the Board recommends the resolution as set out in Item no. 7 of the notice to be passed as a Special Resolution.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

**Item No. 8:**

Mr. Vinod Lath was re-appointed as Managing Director of the Company for a period of 5 (five) Years w.e.f 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2024 at the Board Meeting held on 14<sup>th</sup> August, 2019 subject to ratification of appointment by shareholders in the ensuing Annual General Meeting. Shareholders' approval is also to be received for payment of remuneration as is recommended by the Nomination and

## SUNIL INDUSTRIES LIMITED

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Remuneration committee in its meeting held on 14<sup>th</sup> August, 2019. In addition Regulation 17 (6) of SEBI (Listing obligations Disclosures Requirements), 2015, states that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, where there is more than one such director, if the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of 11% of net profits of the company and also increased the limits of yearly Managerial remuneration in case of no profit or inadequate profit.

The Companies Amendment Act, 2017 replaces the Central Government approval with the requirement of obtaining shareholders' approval through a special resolution.

Approval of the shareholders is, therefore, being sought for the revision of remuneration of Vinod Lath, Managing Director of the company as specified in the resolution and for payment of overall managerial remuneration in excess of 11% of net profits, including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of the company computed in accordance with Schedule V of the Companies Act, 2013 which shall be approved for the remaining tenure of the appointment.

Major terms of Remuneration of Mr. Vinod lath, Managing Director:

As per Terms & Conditions entered into an agreement with Mr. Vinod Lath as a Managing Director. The Agreement shall be open for Inspection for the inspection of the Shareholders during normal business hours on all working days.

Mr. Vinod Lath holding DIN 00064774 is 70 years of age and is a Commerce Graduate by educational qualification and is having experience in Marketing, Finance & Administration. He has over the years gained immense experience and knowledge in the field Administration and Finance. Further he being a Founder Promoter of the Company has experience of over Four Decades in Management and Administration, thus the Company stands to gain tremendously from his vast experience and thereby proposes to avail his services as a Managing Director despite him attaining 70 years of age for the benefit of all stakeholders.

The details and information to be provided as per schedule V of the Companies Act, 2013 with the notice of Annual General Meeting for providing remuneration in case of inadequate profits is done away with as per Notification dated 12<sup>th</sup> September, 2018. Hence the same is not provided herein as part of notice of Annual General Meeting.

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013. The Board of Directors are of the opinion that the revised remuneration of Mr. Vinod Lath, Managing Director, is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 8 for approval of the members.

Other than Mr. Vinod Lath holding 3,22,000 equity shares and Mr. Pradeep Roongta being relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

### Item No. 9:

Mr. Pradeep Roongta was re-appointed as Whole Time Director and Chief Financial Officer of the Company for a period of 5 Years w.e.f 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2024 at the Board Meeting held on 14<sup>th</sup> August, 2019 subject to ratification of appointment by shareholders in the ensuing Annual General Meeting. Shareholders' approval is also to be received for payment of remuneration as is recommended by the Nomination and Remuneration committee in its meeting held on 14<sup>th</sup> August, 2019. In addition Regulation 17 (6) of SEBI (Listing obligations Disclosures Requirements), 2015, states that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, where there is more than one such director, if the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of 11% of net profits of the company and also increased the limits of yearly Managerial Remuneration in case of no profit or inadequate profit.

The Companies Amendment Act, 2017 replaces the Central Government approval with the requirement of obtaining shareholders' approval through a special resolution.

Approval of the shareholders is, therefore, being sought for the revision of remuneration of Mr. Pradeep Roongta, Whole Time Director and Chief Financial Officer of the company as specified in the resolution and for payment of overall managerial remuneration in excess of 11% of net profits, including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of the company computed in accordance with Schedule V of the Companies Act, 2013 which shall be approved for the remaining tenure of the appointment.

Major terms of Remuneration of Mr. Pradeep Roongta, Whole Time Director and Chief Financial Officer:

As per terms & conditions entered into an agreement with Mr. Pradeep Roongta as Whole Time Director and Chief Financial Officer.

Mr. Pradeep Roongta holding DIN 00130283 is 57 years of age and is a Commerce Graduate by educational qualification and is having experience in Production & Administration. He has over the years gained immense experience and knowledge in the field Administration.

The details and information to be provided as per Schedule V of the Companies Act, 2013 with the notice of Annual General Meeting for providing remuneration in case of inadequate profits is done away with as per Notification dated 12<sup>th</sup> September, 2018. Hence the same is not provided herein as part of notice of Annual General Meeting.

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013. The Board of Directors are of the opinion that the revised remuneration of Mr. Vinod Lath, Managing Director, is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 9 for approval of the members.

Other than Mr. Pradeep Roongta holding 13,600 equity shares and Mr. Vinod Lath being relative, none of the other Directors

## 43RD ANNUAL REPORT 2018-19

and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

### Item No. 10:

Mr. Ramesh Khanna was re-appointed as Whole-time Director and CO of the Company for a period of 5 (five) Years w.e.f. 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2024 at the Board Meeting held on 14<sup>th</sup> August, 2019 subject to ratification of appointment by shareholders in the ensuing Annual General Meeting. Shareholders' approval is also to be received for payment of remuneration as is recommended by the Nomination and Remuneration committee in its meeting held on 14<sup>th</sup> August, 2019. In addition Regulation 17 (6) of SEBI (Listing obligations Disclosures Requirements), 2015, states that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, where there is more than one such director, if the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of 11% of net profits of the company and also increased the limits of yearly Managerial Remuneration in case of no profit or inadequate profit.

The Companies Amendment Act, 2017 replaces the Central Government approval with the requirement of obtaining shareholders' approval through a special resolution.

Approval of the shareholders is, therefore, being sought for the revision of remuneration of Ramesh Khanna, Whole Time Director of the company as specified in the resolution and for payment of overall managerial remuneration in excess of 11% of net profits, including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment

of the company computed in accordance with Schedule V of the Companies Act, 2013 which shall be approved for the remaining tenure of the appointment.

Major terms of Remuneration of Mr. Ramesh Khanna, Whole-time Director:

As per Terms & Conditions entered into an agreement with Mr. Ramesh Khanna as Whole-time Director.

Mr. Ramesh Khanna holding DIN 00130351 is 69 years of age and is a Commerce and Law Graduate and MBA by educational qualification and is having experience in Sales and Marketing. He has over the years gained immense experience and knowledge in the field Marketing. Further he being a Professional has expertise in the field of marketing which in turns adds up to boost the sales volume, thus the Company stands to gain tremendously from his vast experience and thereby proposes to avail his services as a Whole-time Director despite him attaining 70 years of age for the benefit of all stakeholders.

The details and information to be provided as per Schedule V of the Companies Act, 2013 with the notice of Annual General Meeting for providing remuneration in case of inadequate profits is done away with as per Notification dated 12<sup>th</sup> September, 2018. Hence the same is not provided herein as part of notice of Annual General Meeting.

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013.

The Board of Directors are of the opinion that the revised remuneration of Mr. Vinod Lath, Managing Director, is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 9 for approval of the members.

Other than Mr. Ramesh Khanna, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

Particulars	Rohit Gadia	Vinod Lath	Pradeep Roongta	Ramesh Khanna
Date of Birth (Age)	35 years	70 years	57 years	69 years
Date of Appointment	01st April, 2019	01st September, 2019	01st September, 2019	
Qualifications	MBA Graduate	Commerce Graduate	Commerce	a Commerce and Law Graduate and MBA
Expertise in specific functional areas	Finance	Marketing, Finance & Administration	Production & Administration	Sales and Marketing
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1 (One)	NIL	NIL	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	NIL	NIL	NIL
Number of shares held in the Company	NIL	3,22,000	13,600	NIL

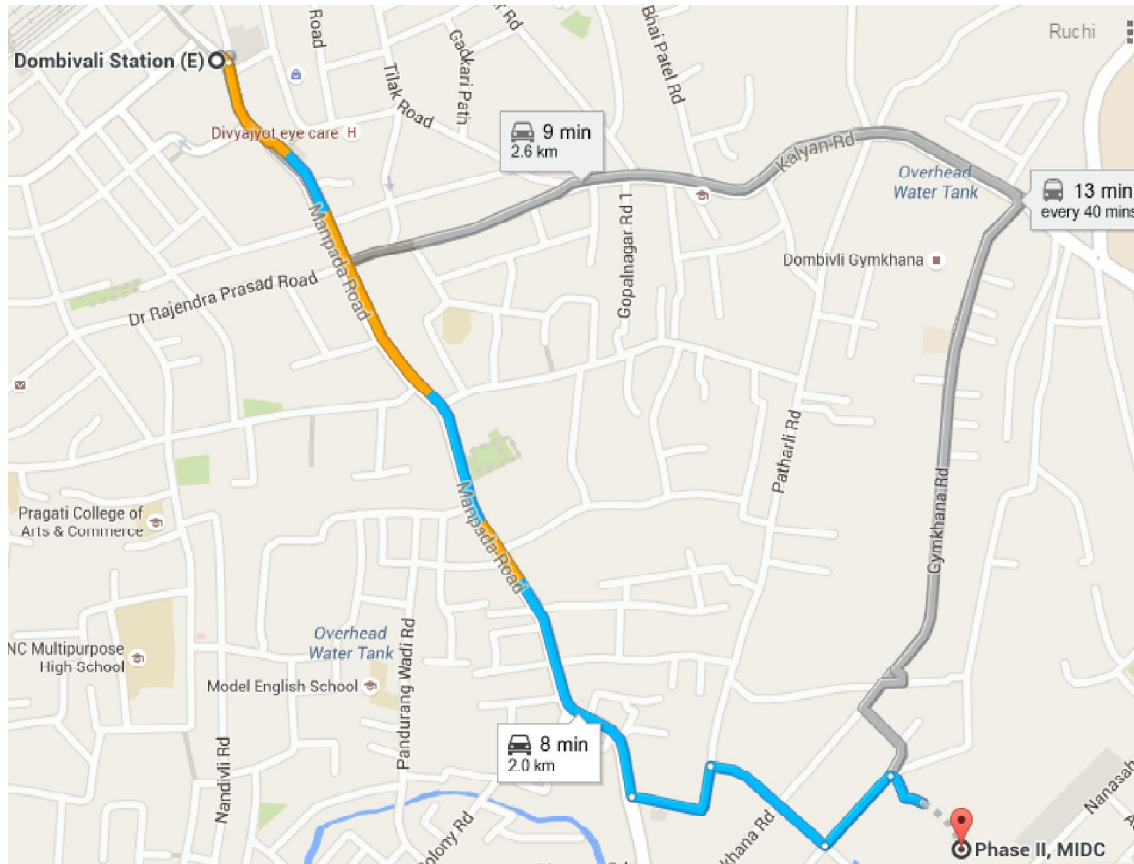
**ON BEHALF OF THE BOARD  
FOR SUNIL INDUSTRIES LIMITED  
SD/-**

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

**DATE : 14<sup>th</sup> August, 2019  
PLACE : DOMBIVLI**

# SUNIL INDUSTRIES LIMITED

## 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, 2019**

To,  
The Members  
**SUNIL INDUSTRIES LIMITED**  
**DOMBIVLI**

Your Directors have great pleasure in presenting **43<sup>rd</sup> Annual Report** along with the Audited Balance Sheet and Profit and Loss Account for the year ended on **31<sup>st</sup> March, 2019**.

**1. FINANCIAL RESULTS**

The financial Results are briefly indicated below:

(Amt in ₹)

PARTICULARS	Financial Year 2018-19 (FY 2019)	Financial Year 2017-18 (FY 2018)
Total Income	108,48,09,802	154,02,11,612
Total Expenditure	107,16,57,568	151,76,62,666
Net Profit/(Loss) before Tax	<b>1,31,52,234</b>	<b>2,25,48,946</b>
Provision for Tax	24,38,270	79,21,335
Net Profit/(Loss) after Tax	<b>107,13,964</b>	<b>1,46,27,611</b>
Profit/(Loss) b/f previous year	11,20,99,681	9,75,83,752
Balance c/f to Balance Sheet	<b>12,28,13,645</b>	<b>11,22,11,363</b>

**2. PERFORMANCE OF THE COMPANY:**

During the year ended 31st March, 2019, your Company reported total Income of Rs. 108,48,09,802/- which in comparison to previous year's figures have decreased by approximately 29.57 %, this is due to Textile Industry experiencing a downfall. The Net Profit after tax is Rs. 1,07,13,964/- as compared to Rs. 1,46,27,611/-in previous year marking a reduction of approximately 26.76 % but the overall profit carried forward to the Balance Sheet is Rs. 12,28,13,645/- which has increased by 9.45% as compared to previous year's figure.

**3. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE 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.

**4. DIVIDEND:**

In order to conserve the reserves for a sustainable future, you're Company does not recommend Dividend for the Financial Year 2018-2019.

**5. TRANSFER TO RESERVES:**

During the year under review, no amount is proposed to be transferred to General Reserve out of the net profits of the Company for the Financial Year 2018-19. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

**6. FUTURE PROSPECTS:**

The future for the Indian textile industry looks promising, the US China Trade War holds a lot of opportunities, provided we have smart factories, and also instead of focusing on more production scale the focus needs to shift to quality aspect in order to improve our competitiveness. The rise in income levels is expected to drive demand in the textile industry. The Retail market in India is projected to reach \$ 1.3 trillion, while the Indian e-commerce industry is expected to cross \$ 100 billion mark by 2020. The E-commerce market in India is also set to grow at a CAGR of 30% for gross merchandise value to reach \$ 200 billion by 2026, and have a market penetration of 12% compared to 2% currently. Economic expansion is happening across Asia, but we expect that 2019 will be the year in which India will take centre stage; as a result, India is set to move from being an increasingly important sourcing hub to being one of the most attractive consumer markets outside the Western world. India is increasingly becoming a focal point for retail industry with more than 300 International Brands expected to open stores in the next two years. The domestic market for apparel and lifestyle products currently is \$137 billion and aims to be \$350 billion by 2025.

**7. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS ANDCOMPANY'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.

**8. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

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

**9. 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 are no unpaid dividends pending of the Company.

**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

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**11. 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.

**12. 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.

**13. 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**.

**14. 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.

**15. 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 13 and Note 16 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.

**16. 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](http://www.sunilgroup.com).

**17. 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. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and it redresses 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.

**18. EXPLANATION OR COMMENTS ON QUALIFICATION, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICISING 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, Disclosure Requirements, Regulations 2015 for Dematerialization of Promoters shareholding and 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 of conversion of the same as per Regulations 31 (2) of LODR. Further the Company should have appointed a Company Secretary since the vacancy of its previous Company Secretary but there has been delay in the same and the new Company Secretary was appointed on 15<sup>th</sup> February, 2019. The said non-compliance was due to unavailability of a suitable candidate for the position of Company Secretary. Further, the Disclosures as part of SEBI SAST disclosures are to be disclosed by the individual promoters to the Stock Exchanges. The Report of the secretarial auditor in MR-3 is given as an Annexure which forms part of this report.

**19. ANNUAL RETURN:**

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

**20. DEPOSITS:**

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

**21. 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. Rajesh Tibrewal	NA
Mr. Rohit Gadia	NA
Mrs. Shruti Saraf	NA
<b>Executive directors</b>	
Mr. Vinod Lath	1: 9.2
Mr. Pradeep Roongta	1: 9.2
Mr. Ramesh Khanna	1: 8.63
<b>Company Secretary</b>	
Ms. Neha Thanvi	1: 0.27
Ms. Astha Jain	1: 0.17

**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
Mrs. Shruti Saraf	NA
Mr. Vinod Lath	NO Increase from last year
Mr. Pradeep Roongta	NO Increase from last year
Mr. Ramesh Khanna	11.59 % Decrease from last year
Ms. Neha Thanvi	(80.18) % (since resigned w.e.f. 11 <sup>th</sup> May, 2018)
Ms. Astha Jain	100% (since 1 <sup>st</sup> year of appointment, appointed w.e.f. 15 <sup>th</sup> February, 2019)

**c.** The median remuneration for the year 2018-19 is **Rs 1,30,731.50 /-**

**d.** The percentage increase/(decrease) in the median remuneration of employees in the financial year: **(11.75%)**

**e.** The number of permanent employees on the rolls of Company: **36**

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

On an average, employees received an annual decrease of **9.81%**.

The increase in remuneration is in line with the market trends prevalent in the Economy. However the overall decrease in aggregate remuneration is due to reduction of 2 employees one of whom has left the job and the other has expired. 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 31.03.2019**

Revenue	Rs. 1,08,24,29,835/-
Remuneration of KMPs (as a % of revenue)	0.33%
Profit before Tax (PBT)	Rs. 1,31,52,234 /-
Remuneration of KMP (as a % of PBT)	27.26%

**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, 2019	March 31, 2018	% Change
Market Capitalisation	11,13,00,000	14,42,70,000	(22.85) %
Price Earnings Ratio	10.23:1	9.93: 1	3.02%

**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, 2019	IPO	% Change
Market Price (BSE)	26.50	30.00	(11.67) %

**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**



## SUNIL INDUSTRIES LIMITED

and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual decrease was around **9.81%**.

There decrease in the managerial remuneration for the relevant year as compared to previous year is **0.07%**.

**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)	Ms. Neha Thanvi (Former Company Secretary till 11 <sup>th</sup> May, 2018)	Ms. Astha Jain (Present Company Secretary appointed w.e.f. 15 <sup>th</sup> February, 2019)
Remuneration in FY 2018-2019	Rs. 12,00,000	Rs. 12,00,000	Rs. 11,28,137	Rs. 34,677	Rs. 22,500
<b>Revenue : Rs. 1,08,24,29,835</b>					
Remuneration as % of revenue	0.11%	0.11%	0.10%	0.0032%	0.0021%
<b>Profit before Tax (PBT): Rs. 1,31,52,234</b>					
Remuneration as % of Profit before Tax	9.12%	9.12%	8.58%	0.26%	0.17%

**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 14<sup>th</sup> February, 2019 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: [www.sunilgroup.com](http://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.**

## 22. DIRECTORS & KEY MANAGERIAL PERSONNEL:

**A. Directors:**

The present composition of the Board is in compliance with the provisions of Section 149 of the Companies Act, 2013.

As on date, Mr. Rohit Gadia, Mrs. Shruti Saraf and Mr. Rajesh Tibrewal are the Independent Directors on the Board. The Company has received declarations from all these Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and read with the Schedules and Rules issued thereunder as well as Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, the first term of Mr. Rohit Gadia has ended on 31<sup>st</sup> March, 2019, and being eligible for re-appointment has been appointed for a consecutive second term at the Board Meeting held on 14<sup>th</sup> February, 2019 for a period of 5 years subject to approval of shareholders.

**Key Managerial Personnel:**

Mr. Vinod Lath, Managing Director, Mr. Pradeep Roongta, CFO and Whole Time Director, Mr. Ramesh Khanna, Whole Time Director, Ms. Astha Jain, Company Secretary are the Key Managerial Personnel of the Company. The previous Company Secretary, Ms. Neha Thanvi appointed had resigned from her office on 11<sup>th</sup> May, 2018 and Ms. Astha Jain was appointed as a Company Secretary as on 15<sup>th</sup> February, 2019.

Mr. Ramesh Khanna is liable to retire by rotation in this 43<sup>rd</sup> Annual General Meeting and being eligible he has offered himself for re-appointment as Director.

**B. DIRECTORS RESPONSIBILITY STATEMENT:**

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- 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 31<sup>st</sup> March, 2019, and that of the profit of the Company for the year ended on that date.
- 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.
- That the annual accounts have been prepared on a going concern basis.
- 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.

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.

- C. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**  
During the financial year, the Board had met **Five (5)** times on **30.05.2018; 03.07.2018; 14.08.2018; 14.11.2018** and **14.02.2019**.
- D. AUDIT COMMITTEE:**  
The Audit Committee as on date comprises of four members viz. Mr. Rajesh Tibrewal, Ms. Shruti Saraf, Mr. Rohit Gadia (Independent Directors) and Mr. Pradeep Roongta (CFO and Whole Time Director). The above composition of the Audit Committee consists of 3 (three) Independent Directors who form a majority. The Role of the Committee is provided in the Corporate Governance Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.
- E. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**  
Pursuant to Section 178 of the Companies Act, 2013, the Stakeholder's Relationship Committee constituted by the Board of Directors to deal with the matters related to stakeholders' grievances met **4 (Four)** times during the Financial Year.  
The details of status of grievances received from various stakeholders during the financial year are furnished in the Corporate Governance Report.
- F. NOMINATION, REMUNERATION AND EVALUATION POLICY:**  
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. Details of the Nomination, Remuneration and Evaluation Policy are set out are available at website of the Company at [www.sunilgroup.com](http://www.sunilgroup.com).
- G. ANNUAL EVALUATION BY THE BOARD:**  
In compliance with the Companies Act, 2013, and Regulation 17 of the Listing Regulations, 2015 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 Annexure to 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.  
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.
- H. 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](http://www.sunilgroup.com) along with the Familiarization programme for F.Y 2018-19 along with the hours spent on the Programme.
- I. SECRETARIAL STANDARDS:**  
Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.
- 23. VIGIL MECHANISMPOLICY FOR DIRECTORS AND EMPLOYEES:**  
The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Whistle Blower Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.  
The Company has also provided direct access to Chairman of 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](http://www.sunilgroup.com). No instance under the Whistle Blower Policy was reported during the financial year 2018-19.
- 24. PUBLIC DEPOSITS:**  
The Company has neither accepted nor renewed any deposits during the year under review.
- 25. AUDITORS AND AUDITORS REPORT:**
- A. STATUTORY AUDITORS:**  
P R Agarwal & Awasthi, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide Firm Registration No. 117940 were appointed as Statutory Auditors at the Annual General Meeting held on Tuesday, 26<sup>th</sup> September, 2017 for the period of five (5) years. i.e. upto the Annual General Meeting to be held in year 2022.

## SUNIL INDUSTRIES LIMITED

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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.

**B. 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 31<sup>st</sup> March, 2020. 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.

**C. INTERNAL AUDITORS:**

The company had appointed H. Mehta & Co., Chartered Accountants, Mumbai, as Internal Auditor of the company for Financial Year 2018-19.

**D. 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 2018-19 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.

**26. STATUTORY STATEMENT:**

**A. CONSERVATION OF ENERGY-TECHNOLOGY ABSORPTION AND 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**.

**B. 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.

**27. 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](http://www.sunilgroup.com).

**28. 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**.

**29. 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.

**30. 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 : 14<sup>th</sup> AUGUST, 2019.  
PLACE : DOMBIVLI**



**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	<b>NIL</b>					
(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	<b>Rarefab Textiles Pvt Ltd</b>	<b>Eske Tex India Pvt Ltd</b>	<b>Vandana Lath</b>	<b>Sunil Fabrics Private Limited</b>	<b>Beena Roongta</b>	<b>Prateek Roongta</b>
(b)	Nature of contracts/ arrangements/ transactions	Weaving Charges	Interest Paid	Rent Paid	Rent Paid	Salary Paid	Salary Paid
(c)	Duration of the contracts / arrangements/ transactions	12 months	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. 37,49,992 per annum	Rs. 16,92,483 per annum	Rs. 6,00,000 per annum	Rs. 5,000 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 <sup>th</sup> May, 2018	30 <sup>th</sup> May, 2018	30 <sup>th</sup> May, 2018	30 <sup>th</sup> May, 2018	30 <sup>th</sup> May, 2018	30 <sup>th</sup> May, 2018
(f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL	NIL

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

SD/-

DATE : 14<sup>th</sup> AUGUST, 2019  
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 31.03.2019

[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	<b>Link Intime India Private Limited</b> 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 <sup>st</sup> April, 2018)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1077300	83600	1160900	27.64	1126600	45800	1172400	27.91	0.27
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	323700	1298300	30.91	0.15
e) Bank/ FI	0	0	0	0	0	0	0	0	–
f) Any Other	0	0	0	0	0	0	0	0	–
<b>Sub-Total (A)(1)</b>	<b>2051900</b>	<b>401100</b>	<b>2453000</b>	<b>58.40</b>	<b>2101200</b>	<b>369500</b>	<b>2470700</b>	<b>58.83</b>	<b>0.42</b>

**SUNIL INDUSTRIES LIMITED**

<b>(2) Foreign</b>	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	—
<b>Sub-Total (A)(2)</b>	0	0	0	0	0	0	0	0	0	—
<b>Total shareholding of Promoter (A) (A)(1) + (A)(2)</b>	<b>2051900</b>	<b>401100</b>	<b>2453000</b>	<b>58.40</b>	<b>2101200</b>	<b>369500</b>	<b>2470700</b>	<b>58.83</b>	<b>0.42</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										—
a) Mutual Funds	0	4800	4800	0.11	0	4800	4800	0.11	0	—
b) Bank/ FI	0	300	300	0.01	0	300	300	0.01	0	—
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	—
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>5100</b>	<b>5100</b>	<b>0.12</b>	<b>0</b>	<b>5100</b>	<b>5100</b>	<b>0.12</b>	<b>0</b>	
<b>2. Non- Institutions</b>	0	0	0	0	0	0	0	0	0	—
a) Bodies Corp.	29500	155100	184600	4.40	30200	151500	181700	4.33	-0.07	
i) Indian	0	0	0	0	0	0	0	0	0	—
j) 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 Rs. 2 lakh	152000	969300	1121300	26.70	204200	925000	1129200	26.89	0.19	
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	78200	90800	169000	4.02	115800	35000	150800	3.59	-0.43	
c) Others (specify)	0	0	0	0	0	0	0	0	0	—
(c-i) HUF	11500	0	11500	0.27	17200	0	17200	0.41	0.14	
(c-ii) CLEARING MEMBER	4000	239200	243200	5.79	4000	229200	233200	5.55	-0.24	
(c-iii) OFFICE BEARERS	0	11900	11900	0.28	0	11900	11900	0.28	-	
(c-iv)NON RESIDENT INDIANS (REPAT & NON- REPAT)	400	0	400	0.01	200	0	200	0.00	-	
<b>Total Public shareholding (B) (B)(1) + (B)(2)</b>	<b>275600</b>	<b>1471400</b>	<b>1747000</b>	<b>41.60</b>	<b>371600</b>	<b>1357700</b>	<b>1729300</b>	<b>41.17</b>	<b>-0.42</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	<b>2327500</b>	<b>1872500</b>	<b>4200000</b>	<b>100</b>	<b>1727200</b>	<b>1357700</b>	<b>4200000</b>	<b>100</b>	<b>—</b>	

## (ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2018			Shareholding at the end of the year 31 <sup>st</sup> March, 2019			% 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.	Ashok S Maheshwari	2600	0.06	-	2600	0.06	-	-
2	Beena P Roongta	12800	0.3	-	12800	0.3	-	-
3	Bhavesh Hasmukhlal Mehta	5000	0.12	-	5000	0.12	-	-
4	Bindudevi Lath	100	0	-	100	0	-	-
5	Chandra Kumar K Jain	5000	0.12	-	5000	0.12	-	-
6	Chandraprakash Singhania	700	0.02	-	700	0.02	-	-
7	Deepak Lath	4200	0.1	-	300	0.01	-	(92.86)
8	Eske Tex India Pvt Ltd	128200	3.05	-	128200	3.05	-	-
9	Jagadish Kumar Sanwalka	3200	0.05	-	3200	0.08	-	-
10	Jugal Kishor Tela	1500	0.04	-	1500	0.04	-	-
11	Jyoti Lath	300	0.01	-	300	0.01	-	-
12	Kamal Kumar Choudhary	4400	0.1	-	4400	0.1	-	-
13	Kamaluddin Essabhai Vastani	4400	0.1	-	4400	0.1	-	-
14	Laxmikant Lath	235600	5.61	-	235600	5.61	-	-
15	Leena J Salot	10000	0.24	-	10000	0.24	-	-
16	Mahesh Tibrewal	200	0	-	200	0	-	-
17	Nalini P Kapoor	4000	0.1	-	0	0	-	(100.00)
18	Payal P Kapoor	2000	0.05	-	0	0	-	(100.00)
19	Pradeep Roongta	13600	0.32	-	13600	0.32	-	-
20	Prakash Raichand Shah	5000	0.12	-	5000	0.12	-	-
21	Preeti Lath	400	0.01	-	400	0.01	-	-
22	Pushpadevi J Sanwalka	1500	0.04	-	1500	0.04	-	-
23	Raj Jaisingh	4400	0.1	-	4400	0.1	-	-
24	Rajshree Fiscal Services Ltd	317500	7.56	-	317500	7.56	-	-
25	Ramashankar Lath	9600	0.23	-	9600	0.23	-	-
26	Ratan Lath	10900	0.26	-	0	0	-	(100.00)
27	Saroj Vinod Lath	335200	7.98	-	335200	7.98	-	-
28	Satyanarayan Khyalidutt Lath	3200	0.08	-	3200	0.08	-	(100.00)
29	Sunil Exim Pvt Ltd	344900	8.21	-	344900	8.21	-	-
30	Sunil Fabrics Pvt Ltd	161000	3.83	-	161000	3.83	-	-
31	Sunil Prints Pvt Ltd	204400	4.87	-	204400	4.87	-	-
32	Sunil Synthetics Pvt Ltd	136100	3.24	-	136100	3.24	-	-
33	Vandana Laxmikant Lath	54400	1.3	-	119200	2.84	-	119.12
34	Vinod Dharmidharka	1000	0.02	-	1000	0.02	-	-
35	Vinod Gajanand Lath	322200	7.67	-	322200	7.67	-	-
36	Vinod Gajanand Lath HUF	69500	1.65	-	80400	1.91	-	15.68
	<b>TOTAL</b>	<b>2419000</b>	<b>58.40</b>		<b>2470700</b>	<b>58.80</b>		



**SUNIL INDUSTRIES LIMITED**

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

Sr. No.		Shareholding at the beginning of the year (1 <sup>ST</sup> April, 2018)		Cumulative Shareholding during the year (31 <sup>ST</sup> March, 2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Deepak Lath	4200	0.1	4200	0.1
	Less: Change during the year	(3900)		300	0.01
	At the End of the Year	N.A.	0.01	300	0.01
2	Nalini P Kapoor	4000	0.1	4000	0.1
	Less: Change during the year	(4000)		0	0
	At the End of the Year	N.A.		0	0
3	Payal P Kapoor	2000	0.05	2000	0.05
	Less: Change during the year	(2000)		0	0
	At the End of the Year	N.A.		0	0
4	Ratan Lath	10900	0.26	10900	0.26
	Less: Change during the year	(10900)		0	0
	At the End of the Year	N.A.		0	0
5	Satyanarayan Khyalidutt Lath	3200	0.08	3200	0.08
	Less: Change during the year	(3200)		0	0
	At the End of the Year	N.A.		0	0
6	Vandana Laxmikant Lath	54400	1.30	54400	1.30
	Add: Change during the year	68400		119200	2.84
	At the End of the Year	N.A.		119200	2.84
7	Vinod Gajanand Lath HUF	69500	1.65	69500	1.65
	Add: Change during the year	10900		80400	1.91
	At the End of the Year	N.A.		80400	1.91

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(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 - 2018)		Transactions during the year		Shareholding at the end of the year - 2019	
		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.	Mahendra Girdharilal	45500	1.0833			45500	1.0833
	Transfer			18 May 2018	100	45600	1.0857
	Transfer			07 Sep 2018	200	45800	1.0905
	Transfer			14 Sep 2018	100	45900	1.0929
	Transfer			14 Dec 2018	200	46100	1.0976
	Transfer			21 Dec 2018	200	46300	1.1024
	At the end of the year					46300	1.1024
2.	Mita D Doshi	35000	0.8333			35000	0.8333
	At the end of the year					35000	0.8333
3	Monotona Securities Ltd	35000	0.8333			35000	0.8333
	At the end of the Year					35000	0.8333
4	Shell Securities Ltd	34900	0.8310			34900	0.8310
	At the end of the Year					34900	0.8310
5	Dheeraj Kumar Lohia	32700	0.7786			32700	0.7786
	Transfer			06 Apr 2018	100	32800	0.7810
	Transfer			21 Dec 2018	100	32900	0.7833
	At the end of the Year					32900	0.7833
6	Pawan Kaushik	32500	0.7738			32500	0.7738
	At the end of the Year					32500	0.7738
7	Raj Kaushik	32500	0.7738			32500	0.7738
	At the end of the Year					32500	0.7738
8	Krishnamurthy Vaidyanathan	30500	0.7262			30500	0.7262
	At the end of the Year					30500	0.7262
9	Sanjay Kumar Khandelwal	20000	0.4762			20000	0.4762
	At the end of the Year					20000	0.4762
10	Abhisek Lath	55800	1.3286			55800	1.3286
	Transfer			31 Aug 2018	(55800)	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	322200	7.66	322200	7.66
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
7.	Ms. Neha Thanvi (Former Company Secretary till 11 <sup>th</sup> May, 2018)	Nil	Nil	Nil	Nil
8.	Ms. Astha Jain (Present Company Secretary appointed w.e.f. 15 <sup>th</sup> February, 2019)	Nil	Nil	Nil	Nil

## SUNIL INDUSTRIES LIMITED

### 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	97662345	101106225	-	198768570
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	290008	-	-	290008
Total (i+ii+iii)	<b>97952353</b>	<b>109799101</b>	-	<b>207751454</b>
Change in Indebtedness during the financial year				
· Addition	55392686	60178339	-	115571025
· Reduction	—	—	—	—
Net Change	55392686	60178339	-	115571025
Indebtedness at the end of the financial year				
i) Principal Amount	153238611	159473002	-	312711613
ii) Interest due but not paid	-	10504438	-	10504438
iii) Interest accrued but not due	106428	-	-	106428
Total (i+ii+iii)	<b>1533450339</b>	<b>169977440</b>	-	<b>323322479</b>

### 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/MTD/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	11,28,137	35,28,137
	(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
	<b>Total (A)</b>	<b>12,00,000</b>	<b>12,00,000</b>	<b>11,28,137</b>	<b>35,28,137</b>
	Ceiling as per the Act	NA	NA	NA	NA

**B. Remuneration to Other Key Managerial Personnel:**

Sr. No.	Particulars of Remuneration	Name of other Key Managerial Personnel		Total Amount
		Neha Thanvi (Former Company Secretary till 11 <sup>th</sup> May, 2018)	Astha Jain (Present Company Secretary appointed w.e.f. 15 <sup>th</sup> February, 2019)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	34,677	22,500	57,177
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - As % of Profit - Others, specify	0	0	0
5.	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>34,677</b>	<b>22,500</b>	<b>57,177</b>
	Ceiling as per the Act	NA	NA	NA

**C. Remuneration of other Directors:**

Sr. No.	Particulars of Remuneration	Name of other Key Managerial Personnel			Total Amount
		Rohit Gadia – Independent Director	Rajesh Tibrewal Independent Director	Shruti Saraf- Independent Woman Director	
·	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
·	Commission	Nil	Nil	Nil	Nil
·	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	Nil	Nil	Nil	Nil
	<b>Total Managerial Remuneration</b>	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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## During the Financial year the Company has filed revised compounding application for various defaults pursuant to Section 441 of the Companies Act, 2013 and application is pending with the Registrar of Companies for further action.

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

DATE : 14<sup>th</sup> AUGUST, 2019  
PLACE : DOMBIVLI

## SUNIL INDUSTRIES LIMITED

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### Annexure D to Director's Report

#### Secretarial Audit Report

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2019.

[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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March 2019, 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 1<sup>st</sup>, 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. ***There is a delay in appointment of new Company Secretary caused due to casual vacancy through resignation of previous Company Secretary, the said designation was filled on 15<sup>th</sup> February, 2019, further Company has been levied penalty Rs.1,08,560/- (One Lakh Eight Thousand Five Hundred Sixty) by BSE Limited and as on the date of Signing the penalty is yet to be paid.***
3. ***The Annual Disclosure submitted by promoters and Promoter group of the Company is not appearing on the website of the Stock Exchange.***

**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.

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:

1. The Company has ratified payment of remuneration payable to Cost Auditors for FY 2018-2019 at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2018.
2. The Company has ratified payment of remuneration payable to Statutory Auditors for FY 2018-19 at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2018.
3. The Company has approved Related Party Transactions up to a maximum limit of Rs. 50 crores with each related party at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2018.
4. The Company has Re-appointed Mr. Rohit Gadia (DIN 02175342) as Independent Director for a second consecutive term of five years, subject to ratification by shareholders at the forthcoming Annual General Meeting.
5. Appointed Company Secretary on 15<sup>th</sup> February, 2019 after six months from date of casual vacancy caused by resignation of previous Company Secretary.
6. During the Financial year the Company has filed revised compounding application for various defaults pursuant to Section 441 of the Companies Act, 2013 and application is pending with the Registrar of Companies for further action.

**For HS Associates  
Company Secretaries**

**Sd/-**

**Hemant Shetye  
Partner**

**FCS No.: 2827**

**CP No.: 1483**

**Date : 14<sup>th</sup> August, 2019.**

**Place : Mumbai**

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.

## SUNIL INDUSTRIES LIMITED

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### 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/-

**Hemant Shetye  
Partner**

**FCS No.: 2827  
CP No.: 1483**

**Date : 14<sup>th</sup> August, 2019.  
Place : Mumbai**

### Annexure - 2

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

1. The Air (Prevention and Control of Pollution) Act, 1981 and the Rules made thereunder
2. The Water (Prevention and Control of Pollution) Cess Act and Rules.
3. Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986
4. Pollution Prevention and Control Act 1999.

**For HS Associates  
Company Secretaries**

Sd/-

**Hemant Shetye  
Partner**

**FCS No.: 2827  
CP No.: 1483**

**Date : 14<sup>th</sup> August, 2019.  
Place : Mumbai**

**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) and as amended from time to time. 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, 2019 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 isn't any Nominee Director or Institutional Directors appointed 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	Board meetings Attended	Attendance at Last AGM	*No. Of Other Directorship	No. of Other Committee membership/ Chairmanship in other Companies
1.	Mr. Vinod Lath	Chairman & Managing Director	30.05.2018, 03.07.2018, 14.08.2018, 14.11.2018, 14.02.2019	Yes	Nil	Nil
2	Mr. Pradeep Roongta	Whole Time Director	30.05.2018, 03.07.2018, 14.08.2018, 14.11.2018, 14.02.2019	Yes	Nil	Nil
3	Mr. Ramesh Khanna	Whole Time Director	30.05.2018, 03.07.2018, 14.08.2018, 14.11.2018, 14.02.2019	Yes	Nil	Nil
4.	Mr. Rajesh Tibrewal	Independent & Non-Executive Director	30.05.2018, 03.07.2018, 14.08.2018, 14.11.2018, 14.02.2019	Yes	Nil	Nil
5.	Mr. Rohit Gadia	Independent and Non Executive Directors	30.05.2018, 03.07.2018, 14.08.2018, 14.11.2018, 14.02.2019	Yes	Nil	Nil
6.	Mrs. Shruti Saraf	Woman Independent Non-Executive Director	30.05.2018, 03.07.2018, 14.08.2018, 14.11.2018, 14.02.2019	Yes	Nil	Nil

\* Directorship only of public limited company is considered



## SUNIL INDUSTRIES LIMITED

**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	1	Nil	Nil
6.	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 **5 (Five)** 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 notices.
- The dates on which the Board Meetings were held are as follows:**  
**30.05.2018; 03.07.2018; 14.08.2018; 14.11.2018 and 14.02.2019.**

**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 programmed imparted to Independent Directors for FY 2018-19:**

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 2018-19 can be accessed from the website: [www.sunilgroup.com](http://www.sunilgroup.com)

**h) The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

<b>Business Management</b>	Understanding of business dynamics, during various market conditions, industry verticals and regulatory jurisdictions and applying the same in organising, planning and analysing company's business operation.
<b>Strategy, Leading and Planning</b>	Setting priorities, focusing resources and motivating employees towards achievement of common goal and objective of the organisation.
<b>Corporate Governance</b>	Developing good corporate governance practices that impacts all aspects of the organisation linked to transparency, accountability and trust, which serve the best interests of all stakeholders and strike a right balance between board and management accountability.

**i) Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.**

There has been no resignation of an Independent Director before the expiry of his tenure during the Financial Year 2018-19.

**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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- 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 utilization 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 and 1 Executive Director.

The Audit Committee met Five times in financial year 2018-19 viz: 30.05.2018; 03.07.2018; 14.08.2018; 14.11.2018 and 14.02.2019. 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 27<sup>th</sup> September, 2018. The composition of the Committee during the year 2018-19 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. Meetings and Attendance during the year:**

The Audit Committee has held 5 (Five) meetings during the year and attendance of the meetings is given below:

## SUNIL INDUSTRIES LIMITED

The Audit Committee met **5 (Five)** times in Financial Year 2018-19 viz 30.05.2018; 03.07.2018; 14.08.2018; 14.11.2018 and 14.02.2019.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Mr. Rajesh Tibrewal	Independent Director	5
Mr. Rohit Gadia	Independent Director	5
MS. Shruti Saraf	Independent Director	5
Pradeep Roongta	Whole-time Director	5

#### 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 **(2) Two** time during the year 2018-19. 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 27<sup>th</sup> September, 2018.

**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 Financial Year 2018-19 is as follows:

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

##### c) **Meeting and attendance during the year**

The Nomination and Remuneration Committee has held **2 (Two)** meetings viz 14.08.2018; and 14.02.2019 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	2
Mr. Rohit Gadia	Non-executive Independent Director	2
Ms. Shruti Saraf	Non-executive Independent Director	2

##### 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](http://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 2019 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 of one term, 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.

**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**

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.

Details of remuneration paid to Executive Directors

Name of Director	Mr. Vinod Lath	Mr. Pradeep Roongta	Mr. Ramesh Khanna
Designation	Managing Director	Chief Financial Officer & Whole Time Director	Whole Time Director
Salary	Rs. 12,00,000	Rs. 12,00,000	Rs. 11,28,137
Performance bonus	—	—	—
Provident Fund & Gratuity Fund	—	—	—
stock option	—	—	—

**I. Details of remuneration paid to Non-Executive Directors:**

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	Nil	Nil	Nil
stock option	Nil	Nil	Nil

ii. Directors are not provided with any performance linked incentives, along with the performance linked criteria.

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- iii. 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.
- iv. 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 **(4) Four** times in FY 2018-19 - viz: 30.05.2018; 14.08.2018; 14.11.2018 and 14.02.2019. The composition of the Committee during financial year 2018-19 and the details of meetings held and attended by the Directors are as under:

The Stakeholder Relationship Committee has been constituted with 3 members. The committee consists of three Non-Executive Independent Directors. 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

#### **a) Name of Non-Executive Director heading the committee:**

Mr. Rajesh Tibrewal, the Chairman and Independent Non-Executive Director is the head of the committee.

#### **b) Name and Designation of Compliance Officer:**

Ms. Astha Jain who is Company Secretary is also the Compliance Officer of the Company.

#### **c) Number of Shareholder's Complaints received so far:**

The company received **2 (Two)** complaints from Shareholders during the Financial Year 2018-19, and all the complains were resolved.

#### **d) Number unsolved to the satisfaction of shareholders:**

There were no unsolved complaints to the satisfaction of shareholders.

#### **e) Number of Pending Complaints:**

All the complaints received during the year were resolved, hence no pending complaints for Financial Year 2018-19.

### 7. **GENERAL BODY MEETINGS:**

#### **a) Details of last 3 (Three) Annual General Meetings and whether any Special Resolutions were passed in those three Annual General Meeting are given below:**

Financial Year	Date	Time	Venue	Special Resolution(s)
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
2017-2018	27.09.2018	11.00 am	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 201	1. 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. 2. Approval for increase in borrowing limits in excess of limits specified under Section 180 (1) (c) of Companies Act, 2013. 3. Approval for making investment (s), loans, guarantees and security in excess of limits specified under Section 186 of Companies Act, 2013.

- b)** 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](http://www.sunilgroup.com).

b) **Newspapers where Yearly/Quarterly Results are Published:**

The Yearly/Quarterly results are published in one English language newspaper being the Free Press Journal and one Marathi language newspaper being Navshakti.

c) **Website where Yearly/Quarterly Results are Published:**

The Yearly/Quarterly results are duly hosted on the Website of the Company at [www.sunilgroup.com](http://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/>. The results and other mandatory information about the Company is hosted at the website of the Company at [www.sunilgroup.com](http://www.sunilgroup.com). The website contains details as required under LODR, 2015 and Companies Act, 2013.

d) **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 43<sup>rd</sup> Annual General Meeting is scheduled to be held on **Saturday, the 28<sup>th</sup> day of September, 2019 at 11.00 am at D-8, MIDC Phase II, Manpada Road, Dombivli (East), District – 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 <sup>th</sup> June)	By Mid August, 2019
Annual General Meeting	28 <sup>th</sup> September, 2019
Second quarter results (30 <sup>th</sup> September)	By Mid November, 2019
Third quarter results (31 <sup>st</sup> December)	By Mid February, 2020
Fourth quarter / Annual Results	By End of May, 2020

c) **Payment of Dividend**

The Board of Directors have not proposed any dividend for the Financial Year ended 31<sup>st</sup> March, 2019 with a view to conserve resources for a sustainable future.

d) **Listing of Stock Exchange:**

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 31<sup>st</sup> March, 2019 to the Bombay Stock Exchange (BSE Limited).

e) **BSE Stock Code:**

Scrip Name: SUNIL INDUSTRIES LIMITED

Scrip Code: 521232

f) **Market price data:**

The Stock Market Price for the period April 2018 to the end of March 2019 at BSE is given hereunder:

Month	BSE		Volume (No. of shares Traded)
	High	Low	
Apr-18	42.60	31.50	3200
May-18	31.50	28.50	2600
Jun-18	31.00	27.05	2400
Jul-18	27.05	24.45	600
Aug-18	28.20	25.65	1200
Sep-18	32.45	28.05	3000
Oct-18	34.05	32.35	800
Nov-18	32.35	32.35	0.00
Dec-18	30.75	26.45	700
Jan-19	26.45	26.45	0.00
Feb-19	26.50	26.50	0.00
Mar-19	26.50	26.50	100

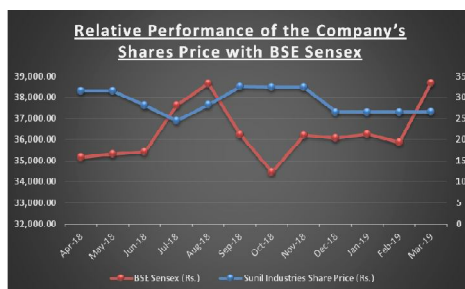
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**g) Performance in comparison to broad-based indices of BSE:**

**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 2018-19:

Months	Sunil Industries Share Price (₹)	BSE Sensex (₹)
Apr-18	31.50	35,160.36
May-18	31.50	35,322.38
Jun-18	28.00	35,423.48
Jul-18	24.45	37,606.58
Aug-18	28.20	38,645.07
Sep-18	32.45	36,227.14
Oct-18	32.35	34,442.05
Nov-18	26.45	36,194.30
Dec-18	26.45	36,068.33
Jan-19	26.45	36,256.69
Feb-19	26.45	35,867.44
Mar-19	26.50	38,672.91



**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 31<sup>st</sup> March, 2019:**

No. of shares	No. of Share-holders	% of Share-holders	Share-holding(Rs.)	% of Share-holding
1 - 5000	6,186	95.4188	77,26,000	18.40
5001 10,000	147	2.2675	12,28,000	2.92
10,001 20,000	48	0.7404	7,70,000	1.83
20,001 30,000	19	0.2931	4,91,000	1.17
30,001 40,000	10	0.1542	3,51,000	0.84
40,001 50,000	20	0.3085	9,50,000	2.26
50,001 1,00,000	17	0.2622	14,01,000	3.34
Above 1,00,001	36	0.5553	2,90,83,000	69.25
<b>TOTAL</b>	<b>6,483</b>	<b>100.00</b>	<b>4,20,00,000</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2019**

Category	No. of Shares Held	% Shareholding
Corporate Bodies (Promoter Companies)	1292100	30.7643
Clearing Members	200	0.0048
Other Bodies Corporate	181700	4.3262
Directors	368000	8.7619
Hindu Undivided Family	17200	0.4095
Mutual Fund	4800	0.1143
Non Nationalised Banks	300	0.0071
Non-Resident (Non Repatriable)	3000	0.0714
Non-Resident Indians	230200	5.4810
Office Bearers	11900	0.2833
Persons Acting in Concert	6200	0.1476
Public	1287600	30.6571
Promoters (excluding directors and their relatives)	48200	1.1476
Relative of Directors	748600	17.8238
<b>TOTAL</b>	<b>4200000</b>	<b>100.0000</b>

l) **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 31<sup>st</sup> March, 2019, **58.70** of the Company's total shares representing **24,65,200** shares were held in dematerialized form and the balance **41.30** representing **17,34,800** shares in paper form. The details are given below:

Type	No. of Shares held	% Shareholding
Dematerialized Shares		
<b>With N.S.D.L</b>	12,39,795	29.52
<b>With C.D.S.L</b>	12,25,405	29.18
<b>Total Demat shares</b>	24,65,200	58.70
<b>Physical shares</b>	17,34,800	41.30
<b>TOTAL</b>	42,00,000	100.00%

m) **The Company does not have any outstanding Global Depository Receipts (GDR's) or American Depository Receipts (ADR's) or warrants or any convertible instruments as on date.**

n) **Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not have any 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

r) **Credit ratings need not be obtained by the entity during the relevant financial year as the financials do not consists of any debt instruments or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

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](http://www.sunilgroup.com).



## SUNIL INDUSTRIES LIMITED

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- 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) towards compulsory Demat holding of Promoters. 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, 2015.  
There had been delay in the appointment of Company Secretary since the casual vacancy caused by previous Company Secretary due to unavailability of suitable candidate. The Company has been levied penalty Rs.1,08,560/- (One Lakh Eight Thousand Five Hundred Sixty) for Non-Appointment of Company Secretary and Compliance Officer and the same is not paid by company as on date.
- 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 behaviour, 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](http://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 where policy of determining 'material' Subsidiaries is disclosed:**  
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](http://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) **Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A).**  
There hasn't been any utilisation of funds through Preferential Allotment or Qualified Institutional Placement as per Regulation 32 (7A) in the Financial Year.
- i) **Certificate from a Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**  
A certificate that none of the Directors on the Board of the Company have been disqualified or debarred from continuing or being appointed as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been obtained.
- j) **The board had accepted all the recommendations obtained by the committees of the board which was otherwise mandatorily required to be obtained in the relevant Financial Year.**
- k) **Total fees for all services paid by the listed entity, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**
- l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**  
i. Number of complaints filed during the Financial Year: NIL  
ii. Number of complaints disposed of during the Financial Year: NIL  
iii. Number of complaints pending as on end of the Financial Year: NIL

**m) Dates of Book Closure:**

From **Monday, 23<sup>rd</sup> September, 2019 to Saturday, 28<sup>th</sup> September, 2019** (both days inclusive).

**n) Debentures:**

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

**o) 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 43<sup>rd</sup> 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.

**11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:**

The Company has complied with the necessary provisions of Listing Obligation and Disclosure Requirements, Regulations 2015 apart from Regulation 31(2) towards not holding promoters holding in Demat. 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, 2015.

There had been a slight delay in the appointment of Company Secretary cum Compliance officer sssince the casual vacancy caused by previous Company Secretary due to unavailability of suitable candidate.

**12. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

- **The Board:** A Executive chairperson maintains the office of Chairperson as the Company, as he is the founder promoter of the Company.
- **Shareholder Rights:** A half-yearly status of financial performance in the form of Financial Results is available at the website of the Company, the same can be downloaded from company's website. Further all the Significant transactions that have taken place during the Financial year are disclosed as per the requirement of SEBI LODR regulations.
- **Modified opinion(s) in Audit Report:** The listed entity's financial statements has an unmodified audit opinion.
- **Reporting of Internal Auditor:** The internal auditor reports directly to the audit committee.

**D. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.**

The same has been annexed which forms Part of this Report.

**E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.**

The same has been annexed which forms Part of this Report.

**F. Disclosure with respect to Demat suspense account/ unclaimed suspense account:**

- a) **Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year:** NIL
- b) **Number of shareholders who approached listed entity for transfer of shares from suspense account during the year:** NIL
- c) **Number of shareholders to whom shares were transferred from suspense account during the year; aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year:** NIL
- d) **That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares:** Not Applicable

ON BEHALF OF THE BOARD  
FOR SUNIL INDUSTRIES LIMITED

SD/-  
VINOD LATH  
MANAGING DIRECTOR & CHAIRMAN  
DIN NO: 00064774

DATE : 14<sup>th</sup> AUGUST, 2019  
PLACE : DOMBIVLI

**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 31<sup>st</sup> March, 2019 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](http://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](http://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 : 14<sup>th</sup> August, 2019  
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, 2019:

- a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2019 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 : 14<sup>th</sup> August, 2019  
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, 2019.

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

sd/-

DATE : 14<sup>th</sup> August, 2019  
PLACE : DOMBIVLI

VINOD LATH  
MANAGING DIRECTOR & CHAIRMAN  
DIN NO: 00064774

## **SUNIL INDUSTRIES LIMITED**

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### **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, 2019, 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) and Regulation 6 for the part of the year.

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**

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

**PLACE: Mumbai.**  
**DATE: 14<sup>th</sup> August, 2019**

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**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. India's overall textile exports during FY 2017-18 stood at US\$ 39.2 billion in FY18 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 31.65 billion in FY19.

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\$ 250 billion by 2019. India's textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18. It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18. The sector contributed 15 per cent to the export earnings of India in 2017-18.

The production of raw cotton in India is estimated to have reached 36.1 million bales in FY19.

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\$ 3.12 billion during April 2000 to March 2018.

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

- In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunities and attract investments worth Rs 800.00 billion (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 253.45 billion (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million).

**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.

Initiatives taken by Government of India are:

- 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.
- As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunity and attract investments worth Rs 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018 it generated additional investments worth Rs 25,345 crore (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million).
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.
- Integrated Wool Development Programme (IWDP) approved by Government of India to provide support to the wool sector starting from wool rearer to end consumer which aims to enhance the quality and increase the production during 2017-18 and 2019-20.
- 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.

**C) Segment-Wise Performance or product wise performance**

The company has only one segment i.e. Manufacturing of Textiles, therefore the requirement of segment-wise 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) Discussion on financial performance with respect to operational performance.**

During the year ended 31st March, 2019, your Company reported total Income of Rs. 108, 48,09,802/- which in comparison to previous year's figures have decreased by approximately 29.57 %, this is due to Textile Industry experiencing a downfall. The Net Profit after tax is Rs. 1,07,13,964/- as compared to Rs. 4,46,27,611/-in previous year marking a reduction of approximately 26.76 % but the overall profit carried forward to the Balance Sheet is Rs. 12,28,13,645/- which has increased by 9.45% as compared to previous year's figure.

## SUNIL INDUSTRIES LIMITED

### G) 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.

### H) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

#### (i) Debtors Turnover

Net Credit Sales/Average Account Receivable	Net Credit Sales	Average Account Receivable	Ratio
For FY ended 31st March, 2019	1,082,429,835	272,373,284	3.97
For FY ended 31st March, 2018	1,535,488,118	365,984,044	4.20

Note : The Decline in Percentage is due to recover of outstanding receivables for sales made in FY 2017-18 and Reduction in Net Credit Sales.

#### (ii) Inventory Turnover

(Average Inventory ÷ Cost of Goods Sold) x 365	Average Inventory	Cost of Goods Sold	Ratio
For FY ended 31st March, 2019	165,968,547	974,953,736	62.13
For FY ended 31st March, 2018	151,286,487	1,413,888,765	39.06

Note : The increase in inventory holding (i.e. Rawmaterial & Finished Goods) is mainly due to Processing Order of Sales - The Sales was effected in Month Of April & May 2019.

#### (iii) Interest Coverage Ratio

EBIT/Interest Expenses	EBIT	Interest Expenses	Ratio
For FY ended 31st March, 2019	42,801,306	29,477,930	1.45
For FY ended 31st March, 2018	53,300,436	30,863,172	1.73

Note : Decline in EBIT is due to New arrangement of Loan from SCB which has reduced interest rates upto 9 to 9.5%.

#### (iv) Current Ratio

Current Assets/Current Liabilities	Current Assets	Current Liabilities	Ratio
For FY ended 31st March, 2019	612,076,756	394,977,046	1.55
For FY ended 31st March, 2018	483,925,553	282,270,131	1.71

Note : Decrease in ratio due to delay in recoverability of outstanding receivables.

#### (v) Debt Equity Ratio

Total Liabilities/Total Shareholder Equity	Total Liabilities	Total Shareholder Equity	Ratio
For FY ended 31st March, 2019	431,030,387	355,106,709	1.21
For FY ended 31st March, 2018	327,862,621	344,221,604	0.95

Note : Increase is due to new arrangement facilities from Bank SCB and delay in recover of outstanding receivables.

#### (vi) Operating Profit Margin (%)

Operating Earnings/Revenue	Operating Earnings	Revenue	Ratio
For FY ended 31st March, 2019	107,476,100	1,082,429,835	0.10
For FY ended 31st March, 2018	121,599,353	1,535,488,118	0.08

Note : Increase in Operating Ratio is due to Trading in new product with good profit margin with lower direct cost.

#### (vii) Net Profit Margin (%)

Net Profit Before tax/Total Revenue	Net Profit Before tax	Total Revenue	Ratio
For FY ended 31st March, 2019	13,323,376	1,084,809,802	0.01
For FY ended 31st March, 2018	22,437,263	1,540,211,612	0.01

Note : Decrease in net profit is due to reduction in Net Credit sales and increase in Wage cost and other direct expenses.

### (j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

Net Income Distributable to Equity Shareholders/Equity Nos.	Net Income	Wt. Equity o/s	Ratio
For FY ended 31st March, 2019	10,885,105	4,200,000	2.59
For FY ended 31st March, 2018	14,515,928	4,200,000	3.46

Note : Decrease in Net Worth is due to reduction of Turnover and increase in operating cost.

### 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.

ON BEHALF OF THE BOARD  
FOR SUNIL INDUSTRIES LIMITED

sd/-

DATE : 14<sup>TH</sup> AUGUST, 2019  
PLACE : DOMBIVLI

VINOD LATH  
MANAGING DIRECTOR & CHAIRMAN  
DIN NO:- 00064774

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**INDEPENDENT AUDITORS' REPORT**


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To  
The Members of  
**Sunil Industries Limited**  
**Report on the Standalone Ind AS Financial Statements**

**Opinion**

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<sup>st</sup> March 2019, and the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and notes to the financial statement including a summary of significant accounting policies and other explanatory information (**herein after referred to as "standalone Ind AS financial statements"**)
2. In our opinion and to the best of our information and according to the explanation 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<sup>st</sup> March 2019, and its financial performance including comprehensive income, its cash flows and the change in equity for the year ended on that date.
3. **Basis for Opinion**  
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
4. **Key Audit Matters**  
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. **Management's Responsibility for the Standalone Ind AS Financial Statements**  
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 implementation and maintenance of 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.  
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.
6. **Auditors Responsibility**  
Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Companies Act 2013, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable..
8. 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.



## SUNIL INDUSTRIES LIMITED

- e. On the basis of the written representations received from the directors as on 31 March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 2019 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<sup>th</sup> May, 2019 as per Annexure II expressed.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial positions in its standalone Ind AS financial statements (Refer Note : 35);
  - The company did 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 : 30.05.19**

### 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 any loans, secured or unsecured to the companies, firms 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, employees' state insurance, income tax, goods and services tax, customs duty, cess and other statutory dues applicable to it.
  - According to the information and explanations given, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues were outstanding as at 31.03.2019 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)	28.05	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.

11. 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.
12. 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.
13. 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.
14. 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 : 30.05.19

**Annexure II**

**Independent Auditor's report on the Internal Financial Controls with reference to financial statements and its operative effectiveness 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 31<sup>st</sup> March, 2019, 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 with reference to financial statements, 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 including the Accounting Standards. 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 including Accounting Standards, 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 31<sup>st</sup> March, 2019, 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 : 30.05.19

**SUNIL INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 31st MARCH 2019**

PARTICULARS	Note	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant & Equipment	2	14,79,65,742	16,22,22,183
b) Other Intangible Assets	2	2,76,879	2,81,482
c) Financial Assets			
(i) Non-current Investments	3	2,34,400	2,32,092
d) Other Financial Assets	4	50,00,000	73,32,822
e) Other Non current Assets	5	<u>2,05,83,319</u>	<u>1,80,90,092</u>
		<u>17,40,60,341</u>	<u>18,81,58,671</u>
<b>Current assets</b>			
a) Inventories	6	20,19,56,013	12,99,81,080
b) Financial Assets			
(i) Trade receivables	7	26,33,76,137	28,13,70,432
(ii) Cash and cash equivalents	8	7,85,81,355	2,36,08,616
c) Current Tax Assets	9	26,79,740	32,27,875
d) Other current assets	10	<u>6,54,83,510</u>	<u>4,57,37,549</u>
		<u>61,20,76,756</u>	<u>48,39,25,553</u>
<b>TOTAL</b>		<u><b>78,61,37,096</b></u>	<u><b>67,20,84,224</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	11	4,19,84,000	4,19,84,000
b) Other Equity	12	<u>31,31,22,709</u>	<u>30,22,37,604</u>
		<u><b>35,51,06,709</b></u>	<u><b>34,42,21,604</b></u>
<b>LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	12	2,60,30,380	3,27,94,001
b) Deferred tax liabilities (Net)	14	99,14,500	1,26,31,709
c) Provisions	15	<u>1,08,461</u>	<u>1,66,780</u>
		<u><b>3,60,53,341</b></u>	<u><b>4,55,92,490</b></u>
<b>2) Current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	16	28,07,09,246	15,85,19,537
(ii) Trade payables	17	6,38,09,856	7,39,06,775
b) Other Financial liabilities	18	1,65,82,853	1,64,37,916
c) Current Tax liabilities	19	36,68,653	-
d) Other Current liabilities	20	3,00,45,107	3,32,40,389
e) Provisions	21	<u>1,61,332</u>	<u>1,65,514</u>
		<u>39,49,77,046</u>	<u>28,22,70,131</u>
<b>TOTAL</b>		<u><b>78,61,37,096</b></u>	<u><b>67,20,84,224</b></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 : 30th May, 2019**

**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)  
 sd/-  
**Ms. Astha Jain** Company Secretary

**PLACE : Mumbai**  
**DATE : 30th May, 2019**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	Note No.	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>INCOME :</b>			
Revenue from Operations	22	1,08,24,29,835	1,53,54,88,118
Other income	23	23,79,967	47,23,494
<b>Total Revenue</b>		<b>1,08,48,09,802</b>	<b>1,54,02,11,612</b>
<b>EXPENDITURE :</b>			
Cost of materials consumed	24	79,38,99,290	1,23,01,30,798
Purchases of Stock in trade		3,09,98,881	1,00,01,102
Changes in inventories of finished goods, work-in-progress and waste	25	55,29,603	(67,49,012)
Employee benefits expenses	26	1,92,99,345	2,30,42,070
Finance costs	27	2,94,77,930	3,08,63,172
Depreciation and amortization expenses		1,43,64,274	1,30,90,771
Other expenses	28	17,80,88,244	21,72,83,765
<b>Total Expenditures</b>		<b>1,07,16,57,568</b>	<b>1,51,76,62,666</b>
<b>Profit before extraordinary items and tax</b>		<b>1,31,52,234</b>	<b>2,25,48,946</b>
<b>Extraordinary Items :</b>			
Prior year adjustments		-	-
<b>Profit before tax</b>		<b>1,31,52,234</b>	<b>2,25,48,946</b>
<b>(Add)/Less :-</b>			
<b>Tax expenses :</b>			
Current tax expense for current year		44,96,000	46,96,000
Current tax expense relating to prior years		6,59,479	1,23,390
Net current tax expense		51,55,479	48,19,390
Deferred tax		(27,17,209)	31,01,945
<b>Profit for the year</b>		<b>1,07,13,963</b>	<b>1,46,27,611</b>
Other Comprehensive Income			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/ (losses) on defined benefit obligations		1,71,142	-1,11,683.00
Tax Effect on above			
<b>Total Other Comprehensive Income</b>		<b>1,08,85,105</b>	<b>1,45,15,928</b>
Earnings per equity share: Basic & Diluted (in Rs.)		2.59	3.46

Notes are integral part of the balance sheet &amp; profit &amp; 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 : 30th May, 2019**

**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)

**sd/-**

**Ms. Astha Jain** Company Secretary

**PLACE : Mumbai**  
**DATE : 30th May, 2019**

**SUNIL INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and after Extraordinary items	1,31,52,234	2,25,48,946
Adjustment For :		
Depreciation	1,43,64,274	1,30,90,771
Interest & Finance charges	2,94,77,930	2,92,55,572
Interest received	(21,15,475)	(23,49,669)
Dividend received	-	-
Profit (-) / Loss (+) on sale of Assets	(2,60,000)	(23,36,506)
<b>Operative Profit before Working Capital Changes</b>	<b>5,46,18,963</b>	<b>6,02,09,114</b>
Adjustment For :		
Increase/ (Decrease) in Trade Payables	(1,00,96,919)	(8,09,60,693)
Increase/ (Decrease) in Other than Trade Payables	1,44,937	1,76,667
Increase/ (Decrease) in Other Current Liabilities	(31,95,282)	60,45,670
Increase / (Decrease) in Short term provision	1,66,960	1,80,831
Increase/ (Decrease) in Long Term Provision	(58,319)	1,66,780
Increase/ (Decrease) in Trade Receivable	1,79,94,295	16,92,27,224
Increase/ (Decrease) in Inventories	(7,19,74,932)	4,26,10,812
Increase / (Decrease) in Other Non Current Assets	(24,93,227)	(14,75,458)
Increase / (Decrease) in Other Current Assets	(1,97,45,961)	(1,02,40,438)
<b>Cash Generation from Operations</b>	<b>(3,46,39,487)</b>	<b>18,59,40,510</b>
Direct Taxes	(9,38,689)	(47,55,960)
<b>Net Cash Flow from operating activities</b>	<b>(3,55,78,176)</b>	<b>18,11,84,549</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale / Purchase of Fixed Assets (net)	1,56,770	(2,65,64,162)
Sale / (Purchase) of Investment (net)	(2,308)	(6,289)
Proceeds from/ (Investment in) fixed deposits (net)	(1,29,29,129)	(1,75,56,946)
Dividend received	-	-
Interest Received	21,15,475	23,49,669
<b>Net Cash used in investing activities</b>	<b>(1,06,59,192)</b>	<b>(4,17,77,728)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from/ (Repayment of) Non-Current Borrowings (net)	11,54,26,088	(13,82,15,888)
Interest paid	(2,94,77,930)	(2,92,55,572)
<b>Net Cash used in financing activities</b>	<b>8,59,48,158</b>	<b>(16,74,71,460)</b>
<b>D. Net Change In Cash And Cash Equivalents (A+B+C)</b>	<b>3,97,10,788</b>	<b>(2,80,64,641)</b>
Cash and Cash Equivalents (Opening)	1,10,40,297	3,91,04,938
Cash and Cash Equivalents (Closing)	<b>5,07,51,085</b>	<b>1,10,40,297</b>

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 : 30th May, 2019**

**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)

sd/-

**Ms. Astha Jain** Company Secretary

**PLACE : Mumbai**

**DATE : 30th May, 2019**

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

	Notes	Number	INR
<b>Balance as at 1 April 2017</b>	<b>11</b>	42,00,000	4,19,84,000
Less : Call in arrears		16,000	
Changes in equity share capital during 2017-18		-	-
<b>Balance as at 31 March 2018</b>		<b>42,00,000</b>	<b>4,19,84,000</b>
<b>Balance as at 1 April 2018</b>		<b>42,00,000</b>	<b>4,19,84,000</b>
Changes in equity share capital during 2018-19		-	-
<b>Balance as at 31 March 2019</b>		<b>42,00,000</b>	<b>4,19,84,000</b>

**B. Other equity**

	Notes	Reserves and surplus			Total other Equity
		General Reserves	Securities premium	Retained earnings	
<b>Balance as at 1 April 2017</b>	<b>12</b>	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		-	-	1,46,27,611	1,46,27,611
Other comprehensive income		-	-	(1,11,683)	(1,11,683)
<b>Balance as at 31 March 2018</b>		<b>14,08,57,634</b>	<b>4,92,80,289</b>	<b>11,20,99,681</b>	<b>30,22,37,604</b>
<b>Balance as at 1 April 2018</b>		<b>14,08,57,634</b>	<b>4,92,80,289</b>	<b>11,20,99,681</b>	<b>30,22,37,604</b>
Dividends		-	-	-	-
Issue of share capital on exercise of employee share option		-	-	-	-
Profit for the year		-	-	1,07,13,963	1,07,13,963
Other comprehensive income		-	-	1,71,142	1,71,142
<b>Balance as at 31 March 2019</b>		<b>14,08,57,634</b>	<b>4,92,80,289</b>	<b>12,29,84,786</b>	<b>31,31,22,709</b>

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 : 30th May, 2019****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)

**sd/-****Ms. Astha Jain** Company Secretary**PLACE : Mumbai****DATE : 30th May, 2019**

<b>Note - 2 : Property, plant and equipment</b>																				
Details of the property, plant and equipment & intangible Assets their carrying amounts are as follows:																				
	Land	Lease Hold Land	Factory Building	Bhwardi Godown	Office Premises	Residential Premises	Bore Well	Building	Lab Equipments	Office Equipment	Plant & Machinery	Tube Well	Electrical Equipments	Computers	Furniture & Fixtures	Vehicles	TOTAL	Software		
<b>Gross carrying amount</b>																				
Balance as at 1 April 2017	42,90,322	3,79,087	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		
Additions	-	-	-	-	-	-	-	-	-	37,656	-	-	-	-	-	-	-	1,28,230	-	
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-	5,00,000	-	-	-	-	-	-	5,00,000	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revaluation increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 March 2019	42,90,322	3,79,087	4,07,94,441	1,98,920	8,30,050	6,60,36,750	56,040	1,00,55,495	18,57,095	19,21,193	13,08,54,881	1,06,833	34,27,507	45,17,249	53,22,607	83,52,784	27,90,01,254	2,90,688		
<b>Depreciation and impairment</b>																				
Balance as at 1 April 2017	-	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		
Disposals	-	-	-	-	-	-	-	-	-	-	4,75,000	-	-	-	-	-	4,75,000	-	-	
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	-	3,829	12,89,962	5,014	13,090	10,45,473	10,648	3,16,305	-	5,179	1,08,91,488	-	-	61,242	73,215	6,44,226	1,43,59,671	4,603		
Balance as at 31 March 2019	-	49,777	2,74,55,381	1,53,878	3,56,585	55,53,909	51,460	27,94,688	18,51,655	17,86,902	7,33,32,051	1,06,833	32,56,130	43,75,983	48,48,587	52,61,552	13,10,33,381	13,809		
<b>Carrying amount as at 31 March 2019</b>	<b>42,90,322</b>	<b>3,29,310</b>	<b>1,33,39,060</b>	<b>45,042</b>	<b>4,73,465</b>	<b>6,06,82,841</b>	<b>4,580</b>	<b>72,60,797</b>	<b>5,440</b>	<b>1,34,291</b>	<b>5,75,22,830</b>	<b>0</b>	<b>1,71,377</b>	<b>1,41,266</b>	<b>4,74,021</b>	<b>30,91,232</b>	<b>14,79,65,742</b>	<b>2,76,879</b>		
Balance as at 1 April 2017	42,90,322	3,79,087	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	51,21,995	84,14,163	25,05,59,862	2,90,688		
Additions	-	-	-	-	-	-	-	-	-	-	2,68,07,426	-	-	1,17,303	2,00,612	19,38,621	2,90,64,162	-		
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Held for sale or included in disposal group	-	-	-	-	-	2,51,000	-	-	-	-	-	-	-	-	-	-	-	-		
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at 31 March 2018	42,90,322	3,79,087	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		
<b>Depreciation and impairment</b>																				
Balance as at 1 April 2017	-	42,119	2,48,75,457	1,43,850	3,30,405	33,48,386	30,164	21,62,088	18,50,013	17,78,279	5,30,05,409	1,06,833	32,56,130	42,73,191	46,88,612	42,51,265	10,41,52,181	4,603		
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Held for sale or included in disposal group	-	-	-	-	-	87,639	-	-	-	-	-	-	-	-	-	-	-	-		
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	3,86,061	87,639		
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		
<b>Carrying amount as at 31 March 2018</b>	<b>42,90,322</b>	<b>3,33,139</b>	<b>1,46,29,022</b>	<b>50,056</b>	<b>4,96,555</b>	<b>6,17,28,314</b>	<b>15,228</b>	<b>75,77,102</b>	<b>5,440</b>	<b>1,01,814</b>	<b>6,84,39,318</b>	<b>0</b>	<b>1,71,377</b>	<b>1,11,934</b>	<b>5,47,238</b>	<b>37,35,458</b>	<b>16,222,2183</b>	<b>2,81,482</b>		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>Note - 3 : Non-current investments</b>		
<b>Unquoted Equity Instruments :</b>		
<b>Investments carried at fair value through profit or loss</b>		
33,141 (P.Y. 32,541) Equity Shares of Fairdeal Supplies Limited of Rs.10 each fully paid up	2,33,400	2,31,092
100 (P.Y. 100) Equity Shares of Sunil Fabrics Private Limited of Rs.10 each fully paid up	1,000	1,000
<b>Total</b>	<b>2,34,400</b>	<b>2,32,092</b>
Aggregate amount of quoted investments -At Cost	-	-
Aggregate amount of quoted investments -At Market Value	-	-
Aggregate amount of unquoted investments -At Cost	2,34,400	2,32,092
Aggregate amount of unquoted investments -At Market Value	-	-
<b>Note - 4 : Other Financial Assets</b>		
Bank Deposits having maturity more than 12 Months*	50,00,000	73,32,822
<b>Total</b>	<b>50,00,000</b>	<b>73,32,822</b>
*Mark as Lein against Bank Gurantee		
<b>Note - 5 : Other Non current Assets</b>		
Unsecured, Considered Good		
Capital Advances	15,00,000	-
Advances Other than Capital Advances		
a. Security deposits	95,72,319	85,79,092
b. Others	95,11,000	95,11,000
<b>Total</b>	<b>2,05,83,319</b>	<b>1,80,90,092</b>
<b>Note - 6 : Inventories (As Certified by management)</b>		
Raw materials	9,77,49,657	2,32,32,946
Work-in-progress	14,25,454	3,82,21,839
Finished goods (other than those acquired for trading)	8,69,33,265	5,56,31,550
Stores, spares and others	1,45,29,209	1,16,89,531
Packing Materials	9,16,239	7,50,356
Fuel, Oil & Gases	3,01,460	3,19,197
Waste (Valued at net realisable value)	1,00,729	1,35,662
<b>Total</b>	<b>20,19,56,013</b>	<b>12,99,81,080</b>
<b>Method of Valuation of Stock :</b>		
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.		
<b>Note - 7 : Trade Receivables</b>		
Unsecured, Considered Good		
Others	26,33,76,137	28,13,70,432
<b>Total</b>	<b>26,33,76,137</b>	<b>28,13,70,432</b>
<b>Note - 8 : Cash and cash equivalents</b>		
<b>i) Balances with banks</b>		
In current accounts	5,02,78,586	22,66,472
In deposit accounts with maturity of less than 3 months*	-	83,21,795
Cash on hand	4,72,499	4,52,031
<b>Total</b>	<b>5,07,51,085</b>	<b>1,10,40,297</b>
<b>ii) Other Bank Balances</b>		
Fixed Deposits with maturity period of more than 3 months but less than 12 months*	2,78,30,270	1,25,68,319
<b>Total</b>	<b>7,85,81,355</b>	<b>2,36,08,616</b>
*Mark as Lein against Bank Gurantee		
<b>Note - 9 : Current Tax Assets</b>		
Balance with income tax authorities(Net)	26,79,740	32,27,875
	<b>26,79,740</b>	<b>32,27,875</b>



## SUNIL INDUSTRIES LIMITED

PARTICULARS	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>Note - 10 : Other current assets</b>		
Unsecured, considered good		
Advances other than Capital Advances	3,04,95,179	1,48,77,586
Interest Accrued	11,60,692	12,04,052
Tender Deposits (EMD)	57,92,660	1,10,05,160
Balance with Government authorities		
- Other than Income Tax Authorities	2,69,81,636	1,74,88,638
Prepaid Insurance	10,53,343	11,62,113
<b>Total</b>	<b>6,54,83,510</b>	<b>4,57,37,549</b>

### Note : 11: Share Capital

A Particulars	31st March, 2019		31st March, 2018	
	Numbers	Rs.	Numbers	Rs.
<b>Authorised</b>				
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
<b>Issued, Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs.10 each	42,00,000	4,20,00,000	42,00,000	4,20,00,000
Less : Calls in Arrears		16,000		16,000
<b>Total</b>	<b>42,00,000</b>	<b>4,19,84,000</b>	<b>42,00,000</b>	<b>4,19,84,000</b>

### 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
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

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

A Particulars	31st March, 2019		31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sunil Exim Pvt Ltd	3,44,900	8.21	3,44,900	8.21
Saroj Vinod Lath	3,35,200	7.98	3,35,200	7.98
Rajshree Fiscal Services Ltd	3,17,500	7.56	3,17,500	7.56
Vinod Gajanand Lath	3,22,200	7.67	3,22,200	7.67
Laxmikant Vinod Lath	2,35,600	5.61	2,35,600	5.61

### D 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)
<b>Equity Shares :</b>	
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, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>Note - 12 : Other Equity</b>		
<b>General Reserves</b>		
Opening Balance	14,08,57,634	14,08,57,634
(+)/(-) Transfer	-	-
Closing Balance	14,08,57,634	14,08,57,634
<b>Securities Premium Account</b>		
Opening Balance	4,92,80,289	4,92,80,289
(+)/(-) Transfer	-	-
Closing Balance	4,92,80,289	4,92,80,289
<b>Surplus</b>		
Opening balance	11,20,99,681	9,75,83,752
(+) Net Profit / (Net Loss) for the current year	1,08,85,105	1,45,15,928
Closing Balance	12,29,84,786	11,20,99,681
<b>Total</b>	<b>31,31,22,709</b>	<b>30,22,37,604</b>
<b>Note - 13 : Borrowings</b>		
<b>Secured Loan</b>		
<b>Term Loans From Bank</b>		
From Banks	2,60,30,380	19,47,490
From Others	-	3,08,46,511
<b>Total</b>	<b>2,60,30,380</b>	<b>3,27,94,001</b>

Notes:

**I) Nature of Security :**

These facilities are secured against the following charge on various assets of the Company :

- Facilities from Bank are secured by Equitable mortgage charge on factory land, building and plant machinery situated at Dombivali, Thane and flat owned by the company at Mumbai, Maharashtra. Further Exclusive charge on entire current assets of the company both present & future, personal guarantee of Director Mr.Pradeep Roongta and Corporate Guarantees of M/s Sunil Exim Private Limited.
- Car loan from ICICI Bank is secured by hypothecation of Innova Motor car.

**II) Terms of Repayment :**

Term Loan from Bank are repaid in 66 equal monthly installments, Mature on December-2023.

PARTICULARS	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>Note - 14 : Deferred tax liability (Net)</b>		
<b>Deferred tax liability</b>		
Net Block as per Companies Act	14,35,73,213	15,78,80,205
Net Block as per Income Tax Act	10,72,56,889	11,92,88,122
Difference	3,63,16,324	3,85,92,083
Deferred tax liability (A)	1,01,03,201	1,28,83,581
<b>Deferred tax assets</b>		
Expenditure to be disallowed u/s 43B -		
Bonus	4,08,500	4,29,500
Gratuity	2,69,793	3,32,294
	6,78,293	7,61,794
Deferred tax assets (B)	1,88,701	2,51,872
Net Deferred Tax Liability (Closing)	99,14,500	1,26,31,709
Less : Net Deferred Tax Liability (Opening)	1,26,31,709	95,29,764
Net Deferred Tax Liability to be recognized in Profit & Loss Account.	<b>(27,17,209)</b>	<b>31,01,945</b>

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PARTICULARS	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>Note - 15 : Provisions</b>		
<b>Provision for employee benefits :</b>		
Gratuity	1,08,461	1,66,780
<b>Total</b>	<b>1,08,461</b>	<b>1,66,780</b>
<b>Note - 16 : Borrowing</b>		
<b>Loans Repayable on Demand</b>		
<b>Secured loan</b>		
From Banks*	12,12,36,244	5,74,13,312
<b>Unsecured Loans</b>		
<b>Related party</b>		
Inter Corporate Deposit	3,56,68,836	-
	12,38,04,166	10,11,06,225
<b>Total</b>	<b>28,07,09,246</b>	<b>15,85,19,537</b>
*[Refer Note 13.I(1) for security]		
<b>Note - 17 : Trade payables</b>		
Due to Micro, Small & Medium Enterprises	19,824	53,044
Due to Others	6,37,90,032	7,38,53,731
<b>Total</b>	<b>6,38,09,856</b>	<b>7,39,06,775</b>
<b>Note: Disclosure for micro and small enterprises:</b>		
As per information available with the Company, Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. There are no parties for which balances are overdue for more than 45 Days and hence no interest provision is made on outstanding balances as at March 31, 2019. This has been relied upon by the auditors.		
<b>Note - 18 : Other Financial Liabilities</b>		
Current maturities of Term Loan*	59,71,987	74,55,032
Interest accrued but not Due	1,06,428	2,90,008
Interest accrued and Due	1,05,04,438	86,92,876
<b>Total</b>	<b>1,65,82,853</b>	<b>1,64,37,916</b>
*[Refer Note 13.I(1) for security]		
<b>Note - 19 : Current Tax Liabilities</b>		
Income Tax (net)	36,68,653	-
<b>Total</b>	<b>36,68,653</b>	-
<b>Note - 20 : Other Current Liabilities</b>		
Statutory dues	26,77,313	23,16,598
Other Liabilities	2,33,34,388	2,66,22,485
Outstanding expenses	40,33,405	43,01,306
<b>Total</b>	<b>3,00,45,107</b>	<b>3,32,40,389</b>
<b>Note - 21 : Provisions</b>		
<b>Provision for employee benefits :</b>		
Gratuity	1,61,332	1,65,514
<b>Total</b>	<b>1,61,332</b>	<b>1,65,514</b>

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PARTICULARS	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>Note - 22 : Revenue from operations</b>		
<b>Sale of product :</b>		
Sale of product :	1,04,96,96,312	1,50,20,65,044
<b>Sale of service :</b>		
Processing Charges	3,27,33,523	3,34,23,074
<b>Total</b>	<b>1,08,24,29,835</b>	<b>1,53,54,88,118</b>
<b>Detail of Sales</b>		
<b>Sale of products comprises</b>		
Cloth	95,61,15,217	1,42,66,52,979
Made-Ups	2,97,63,209	7,17,95,556
Yarn	1,36,10,081	52,829
Cotton Sales	10,59,628	30,36,686
Polyester Sales	-	1,39,081
Waste	5,92,649	3,87,913
Others	1,97,750	
<b>Sale of Traded Goods Comprises:</b>		
Sanitary Napkins	4,83,57,778	
<b>Sale of service :</b>		
Processing Charges	3,27,33,523	3,34,23,074
<b>Total</b>	<b>1,08,24,29,835</b>	<b>1,53,54,88,118</b>
<b>Note - 23 : Other income</b>		
Interest income	21,15,475	23,49,669
Profit on sale of fixed Asset	2,60,000	23,36,506
Miscellaneous	4,491	37,319
<b>Total</b>	<b>23,79,967</b>	<b>47,23,494</b>
<b>Note - 24 : Cost of materials consumed</b>		
<b>Raw Material Consumed</b>		
Opening Stock	2,32,32,946	4,93,45,823
Add: Purchases	86,84,16,001	1,20,40,17,921
	<b>89,16,48,947</b>	<b>1,25,33,63,744</b>
Less: Closing stock	9,77,49,657	2,32,32,946
Total Consumption	<b>79,38,99,290</b>	<b>1,23,01,30,798</b>
Raw Material Comprises of:		
(A) Yarn	5,81,54,732	8,46,78,582
(B) Cloth	73,24,11,510	1,03,86,12,190
(C) Fibre	7,78,49,760	8,07,27,148
	<b>86,84,16,001</b>	<b>1,20,40,17,921</b>
<b>Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Finished goods	8,69,33,265	5,56,31,550
Work-in-progress	14,25,454	3,82,21,839
Waste	1,00,729	1,35,662
	<b>8,84,59,448</b>	<b>9,39,89,051</b>
Inventories at the beginning of the year:		
Finished goods	5,56,31,550	8,13,29,994
Work-in-progress	3,82,21,839	59,10,044
Waste	1,35,662	-
	<b>9,39,89,051</b>	<b>8,72,40,039</b>
Net (increase) / decrease	<b>55,29,603</b>	<b>-67,49,012</b>

## SUNIL INDUSTRIES LIMITED

PARTICULARS	31st March, 2019 (Rs.)	31st March, 2018 (Rs.)
<b>Note - 26 : Employee benefit expenses</b>		
Salaries & wages	1,67,51,918	1,88,73,793
Contributions to provident and other fund	15,63,225	28,45,570
Staff welfare expenses	9,84,202	13,22,707
<b>Total</b>	<b>1,92,99,345</b>	<b>2,30,42,070</b>
<b>Note - 27 : Finance costs</b>		
Interest Expenses		
(i) on Bank Borrowings	93,05,110	80,23,553
(ii) others-		
- on Others	1,31,63,341	2,12,32,019
- on Income Tax	-	1,78,169
Other Borrowing Cost		
(i) Bank Charges and Commission	11,27,479	14,29,432
(ii) Loan Processing Charges	58,82,000	-
<b>Total</b>	<b>2,94,77,930</b>	<b>3,08,63,172</b>
<b>Note - 28 : Other expenses</b>		
<b>MANUFACTURING EXPENSES</b>		
Processing and Labour Charges	5,01,82,027	6,95,94,927
Stores, Dyes and Chemicals consumed	4,27,67,702	5,26,79,229
Power and Fuel	3,90,21,429	4,51,18,169
Water Charges	29,63,089	33,40,690
Testing Charges	11,41,578	7,37,993
Repairs to Building	13,01,978	21,18,585
Repairs to Machinery	25,78,735	26,45,843
Packing Material consumed	45,69,423	42,70,440
<b>ADMINISTRATIVE EXPENSES</b>		
Rent	7,57,700	6,42,500
Rates and Taxes	28,04,755	32,17,130
Repairs to Others	12,38,040	7,94,228
Insurance Charges	16,43,896	17,62,818
Travelling and Conveyance	33,80,742	48,24,216
Professional Fees	7,28,719	14,63,719
Donations	13,72,460	10,85,600
Corporate Social Responsibility	2,04,920	3,68,410
Other Expenses	26,06,449	26,91,469
Freight, Octroi and Forwarding Expenses	1,14,54,560	1,41,00,573
Auditors's Remuneration	2,50,000	2,50,000
<b>SELLING EXPENSES</b>		
Advertisement and Sales Promotion	15,97,597	13,91,344
Brokerage and Commission	55,22,445	41,85,882
<b>Total</b>	<b>17,80,88,244</b>	<b>21,72,83,765</b>
<b>Payments to auditor</b>		
For Audit Fee	2,50,000	2,50,000
For others	-	-
<b>Total</b>	<b>2,50,000</b>	<b>2,50,000</b>
<b>Depreciation &amp; Amortization Expenses</b>		
Depreciation on Tangible Assets	1,43,59,671	1,30,86,168
Depreciation on Intangible Assets	4,603	4,603
<b>Total</b>	<b>1,43,64,274</b>	<b>1,30,90,771</b>

## Notes Forming Part of the Financial Statements

### Note 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2019

#### 1. Basis of preparation of financial Statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("Act") read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies adopted in the preparation of AS financial statement are consistent with those of previous year.

#### 2. Historical cost convention

(i) The financial statements have been prepared on a historical cost basis, except for the following:

1) Defined benefit plans – plan assets measured at fair value;

(ii) **Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

#### 3. 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 the 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.

#### 4. Revenue Recognition

##### a. Revenue recognition

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) – 'Revenue from contracts with customers' using the cumulative catch-up transaction method, applied to contracts that were not completed as on the transaction date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets/ liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

##### b. Other operating revenue –

i. Revenue from Job work is recognized when services are rendered.

ii. Interest income is recognized on accrual basis.

iii. Export Incentives under various schemes are accounted in the year of export.

iv. Export sales are accounted for on the basis of dates of Bill of Lading. Gross Sales are inclusive of incentives/benefits, and net of sales returns.

#### 5. Property, plant and equipment:

The Company had applied for the one time transaction exemption of considering the carrying cost on the transition date i.e. 1<sup>st</sup> April, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items

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	08 years
Vehicles	10 years
Computer	03 years
Furniture	10 years
Office Equipment	05 years

## SUNIL INDUSTRIES LIMITED

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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.

### 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.

### 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.

### 8 Lease

#### Operating Lease

##### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

##### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 9. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, over short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 10. Inventories

Inventories of Raw Materials, Packing Materials, are valued at Cost determined on FIFO basis or net realization value. Work-in-Progress, Stores and spares, Fuel, Oil & Gases, Waste, Finished Goods, and Stock –in-trade are stated 'at cost or net realizable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', Weighted Average cost' or 'Specific Identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### 11. Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**12. Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**13. Derivative financial instruments**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**14. Foreign Currency**

**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 cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**15. 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.

**16. Taxation**

- 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.



## SUNIL INDUSTRIES LIMITED

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- b. Deferred tax is recognised subject to the consideration of prudence, on timing differences being the difference between taxable income 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 realised.

### 17. Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### 18. Government Grants:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received, and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

### 19. Provisions, Contingent Liabilities and Contingent Assets:

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 to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

### 20. Segmental Reporting:

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 sanitary napkins. However the revenue from processing on job work basis and trading in sanitary napkins 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.

### 21. Recent accounting pronouncements

#### Ind AS 116:

On 30<sup>th</sup> March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Statements) Amendment Rules, 2019 which is applicable with effect from 1<sup>st</sup> April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profits and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

### 22. Critical estimates and judgements –

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### The areas involving critical estimates or judgement are:

- (i) Estimated useful life of PPE, investment property and intangible assets- Refer
- (ii) Note 2
- (iii) Estimation of tax expenses and tax payable– Refer Profit & Loss Statement for the year ended 31.03.19
- (iv) Probable outcome of matters include under Contingent Liabilities – Refer Note 35
- (v) Estimation of Defined benefit obligation - Refer Note 29

**Note 29:**

As per Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below:

**Defined Benefit Plan:**

(Amount in Rs. )

**Gratuity**

Sr. No.	Particulars	31.03.2019	31.03.2018
<b>1</b>	<b>Assumption</b>		
	Discount Rate	7.45%	7.55%
	Salary Escalation	7.00%	7.00%
<b>2</b>	<b>Present value of Obligation</b>		
	Present value of obligations as at beginning of year	34,95,941	26,10,395
	Interest cost	2,58,319	1,83,575
	Current Service Cost	1,65,514	1,37,868
	Liability Transferred In	-	-
	Benefits Paid	(1,30,892)	(1,17,750)
	Prior Year Charge	-	5,41,749
	Actuarial (gain)/ loss on obligations	(1,66,891)	1,40,104
	Present value of obligations as at end of year	36,21,991	34,95,941
<b>3</b>	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	31,63,647	22,74,728
	Expected return on plan assets	2,43,730	1,92,792
	Contributions	75,713	8,13,877
	Assets Transferred In Benefits Paid	(1,30,892)	(1,17,750)
	Actuarial (gain)/ loss on obligations	-	-
	Fair value of plan assets at the end of year	33,52,198	31,63,647
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial (gain)/ loss on obligations	(1,66,891)	1,40,104
	Actuarial (gain)/ loss for the year - plan assets	-	-
	Actuarial (gain)/ loss on obligations	(1,66,891)	1,40,104
	Actuarial (gain)/ loss recognized in the year	(1,66,891)	1,40,104
<b>5</b>	<b>The amounts to be recognized in the balance sheet</b>		
	Present value of obligations as at the end of year	36,21,991	34,95,941
	Fair value of plan assets as at the end of the year	(33,52,198)	(31,63,647)
	Funded status	2,69,793	3,32,294
<b>6</b>	<b>Expenses Recognized in statement of Profit and loss</b>		
	Current Service cost	1,65,514	1,37,868
	Interest Cost	18,840	19,204
	Past Service Cost	-	5,41,749
	Expenses to be recognized in statement of Profit and loss	1,84,354	6,98,821
<b>7</b>	<b>In Other Comprehensive Income</b>		
	Actuarial (Gain)/Loss		
	Due to Change in financial assumptions	32,753	(1,17,117)
	Due to Change in demographic assumption	-	-
	Due to Change in experience adjustments	(1,99,644)	2,57,221
	Return on Plan Assets	(4,251)	(28,421)
	Net (Income)/Expense for the period Recognised in OCI	(1,71,142)	1,11,683

**Note 30: 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 Synthetics Private Limited  
 Sunil EXIM Private Limited  
 Rarefab Textiles pvt ltd

Sunil Fabrics Private Limited  
 Sunil Prints Private Limited  
 Sunil Bleaching Co. Private Limited

## SUNIL INDUSTRIES LIMITED

### Key Management Personnel :

#### **Executive Directors**

Mr. Vinod Lath – Chairman & Managing Director  
Mr. Pradeep Roongta – CFO & Whole Time Director  
Mr. Ramesh Khanna- Whole time Director

#### **Relatives of Executive Directors**

Mr. Laxmikant Lath – Son of Mr. Vinod Lath  
Mr. Prateek Roongta- Son of Mr. Pradeep Roongta  
Mrs. Saroj Lath – Wife of Mr. Vinod Lath  
Mrs. Beena Roongta – Wife of Mr. Pradeep Roongta  
Mrs. Vandana Lath – Daughter in Law of Mr. Vinod Lath

#### **Non-Executive Directors**

Mr. Rohit Gadia- Non-Executive Director  
Mrs. Shruti Saraf- Non-Executive Director  
Mr. Rajesh Tibrewal- Non-Executive Director  
Mrs. Neha Thanvi- Company Secretary (Upto 11.05.2018)  
Ms. Aastha Jain - Company Secretary (From 15.02.19)

Note: Related parties have been identified by the Management.

### B) **Transactions with Related Parties :**

For the year ended

	March 31, 2019	March 31, 2018
Cloth Purchases	-	24,51,78,090
Interest Paid	16,92,483	-
Weaving Charges	37,49,872	51,20,232
Loans Taken(Net)	3,56,68,836	-
Rent paid	6,05,000	6,05,000
<b>Transaction with Key Management Person</b>		
Remuneration to Directors	35,28,137	35,01,137
Remuneration to Company Secretary	57,177	1,75,000
<b>Transactions with Relatives of KMP</b>		
Salary Paid	14,40,000	14,40,000

### **Note 31 C.I.F. Value of Imports:**

a) Stores & Spares	NIL	1,23,656
b) Capital Goods	NIL	NIL
c) Cloth Purchase	NIL	29,55,606

### **Note 32 Expenditure in Foreign Currency:**

NIL NIL

### **Note 33 Earnings in Foreign Currency:**

NIL NIL

### **Note 34 : Stores, Spares, Dyes and Chemicals consumed:**

a) Indigenous	4,27,67,702	5,25,55,573
b) Imported	NIL	1,23,656

### **Note: 35 CONTINGENT LIABILITIES NOT PROVIDED FOR:**

#### **Particulars**

As at

	March 31, 2019	March 31, 2018
a) Bank Guarantee	5,42,52,776	7,37,51,637
b) Disputed Excise Duty liability*	1,41,29,548	1,41,29,548
c) 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).**	3,36,00,000	3,36,00,000
d) Disputed TNVAT liability ( Inclusive of penalty of Rs. 20.82 lakhs)***	28,04,623	28,04,623

\* In the case of Excise Duty Liability, the Company had filed the appeal to CEGAT. An 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 favor, in the first appeal. Therefore the management

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of the company is of the view that the departmental appeal would be dismissed in favor 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.

### Note: 36- Capital Commitments

i) Estimated amount of Capital Contracts (net of advances)	2,35,00,000	NIL
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### Note: 37 - Earning Per Share

Particulars	(Amt. In Rs.)	
	As at	
	March 31, 2019	March 31, 2018
a) No of Shares at the beginning of the year	42,00,000	42,00,000
b) No of Shares at the end of the year	42,00,000	42,00,000
c) Weighted average number of Equity Shares outstanding during the year	42,00,000	42,00,000
<b>EPS</b>		
a) Net Profit/ (Loss) available for Equity Shareholders	1,08,85,105	1,45,15,928
b) Basic Earning Per Share	2.59	3.46
c) Diluted Earning Per Share	2.59	3.46

### Note: 38

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

### Note: 39 Asset Pledged as Security

Particulars	Amount (Rs)	Amount (Rs)
<b>Current Asset</b>		
<b>Non- Financial Assets</b>		
Inventory		
<b>Financial Assets</b>		
Trade receivables		
Total current Assets Pledged as Security		
<b>Non-Current Assets</b>		
Land		
Building		
Furniture		
Plant and Equipment		
Others		
Total non-current Assets Pledged as Security		
<b>Total Assets Pledges as Security</b>		

### Note 40: Fair Value measurement

#### Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

## SUNIL INDUSTRIES LIMITED

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### Note 41: Financial Risk Management

#### Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through the managing board, which evaluates and exercises independent control over the entire process of market risk management. The managing board recommend risk management objectives and policies, which are approved by Senior Management.

#### Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

### Note 42: Capital risk management

#### (a) Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### Note 43: Net Debt Reconciliation

Particulars	Amount (Rs.)	Amount (Rs.)
Cash and cash equivalents and Bank Overdrafts		
Less:		
Non-current borrowings (including current maturities)		
Current Borrowings		
Interest Payable (net of interest subsidy receivable)		

#### Net Debt

#### Note: 34

Previous year figures have been re-grouped/reclassified wherever/necessary to make them comparable with current year.

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

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

**For Sunil Industries Limited**

sd/-

**Vinod Lath** (Chairman & Managing Director)

(DIN:00064774)

sd/-

**Pradeep Roongta** (Wholtime Director & CFO)

(DIN:00130283)

sd/-

**Ms. Astha Jain** Company Secretary

PLACE : Mumbai

DATE : 30th May, 2019

PLACE : Mumbai

DATE : 30th May, 2019

## 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/Others	

## (3) IN CASE NOMINEE IS A MINOR—

Name:	Date of Birth - DD/MM/YYYY:
Name of guardian:	Date of attaining majority- DD/MM/YYYY:
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](mailto:rnt.helpdesk@linkintime.co.in) Website: [www.linkintime.co.in](http://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. Furthermore, 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 - DD/MM/YYYY:	
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/Others	

**(3) IN CASE NOMINEE IS A MINOR—**

Name:		Date of Birth-DD/MM/YYYY:	
Name of guardian:		Date of attaining majority-DD/MM/YYYY:	
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. Furthermore, 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.

**43RD ANNUAL REPORT 2018-19**

**43<sup>rd</sup> Annual General Meeting – at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on Saturday, 28<sup>th</sup> September, 2019 at 11.00AM.**

**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 Saturday, 28<sup>th</sup> September, 2019 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 2018 -2019 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 2018-2019 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

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

Note : Please read instructions given in the Notice of the 43<sup>rd</sup> Annual General Meeting Carefully before Voting electronically.

**SUNIL INDUSTRIES LIMITED**

**43<sup>rd</sup> Annual General Meeting – at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on Saturday, 28<sup>th</sup> September, 2019 at 11.00AM.**

**PROXY FORM  
SUNIL INDUSTRIES LIMITED**

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

**43<sup>rd</sup> Annual General Meeting**

**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	DD/MM/YYYY
Address		Signature	

or Failing him

Name		Email Id	DD/MM/YYYY
Address		Signature	

or Failing him

Name		Email Id	DD/MM/YYYY
Address		Signature	

As per my/our proxy to vote (on a poll) for me/us on my/our behalf at the **43<sup>rd</sup> Annual General Meeting** of the Company to be held on **Saturday, 28<sup>th</sup> September, 2019** 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 31<sup>st</sup> March, 2019.
- 2. **Ordinary Resolution** for re-appointment of Mr. Ramesh Khanna, Whole Time Director (holding DIN: 00130351) who is retiring by rotation and being eligible offers himself for re-appointment.
- 3. **Ordinary Resolution** appointment of Auditors and to approve their Remuneration.

**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 2019-20 for remuneration of Rs. 1,25,000/- 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 re-appointment of Rohit Gadia as an Independent Director for a second consecutive term of five years, being eligible for re-appointment and who meets the criteria for independence as a Director.
- 7. **Special Resolution** for alteration of Memorandum of Association as per Companies Act, 2013.
- 8. **Special Resolution** for re-appointment of Mr. Vinod Lath (DIN 00064774) as Managing Director for a further term of five years and for approval of payment of remuneration.
- 9. **Special Resolution** for re-appointment of Mr. Pradeep Roongta (DIN 00130283) as Whole Time Director and Chief Financial Officer for a further term of five years and for approval of payment of remuneration.
- 10. **Special Resolution** for re-appointment of Mr. Ramesh Khanna (DIN 00130351) as Whole Time Director for a further term of five years and for approval of payment of remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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 43<sup>rd</sup> 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

**43RD ANNUAL REPORT 2018-19**

**43<sup>rd</sup> Annual General Meeting – at D-8, MIDC, Phase II, Manpada Road, Dombivli (E), Dist. Thane on  
Saturday, 28<sup>th</sup> September, 2019 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  
**43<sup>rd</sup> Annual General Meeting – 28<sup>th</sup> September, 2019**

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 14<sup>th</sup> August, 2019 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	<b>Ordinary Business</b> <b>Ordinary Resolution</b> for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2019.		
2	<b>Ordinary Resolution</b> for re-appointment of Mr. Ramesh Khanna, Whole Time Director (holding DIN: 00130351) who is retiring by rotation and being eligible offers himself for re-appointment.		
3	<b>Ordinary Resolution</b> appointment of Auditors and to approve their Remuneration		
4	<b>Special Business</b> <b>Ordinary Resolution</b> 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 2019-20 for remuneration of Rs. 1,25,000/- p.a plus service taxes.		
5	<b>Ordinary Resolution</b> for approval of Related Party Transactions upto the Maximum Limits as specified with the related parties.		
6	<b>Special Resolution</b> for re-appointment of Rohit Gadia as an Independent Director for a second consecutive term of five years, being eligible for re-appointment and who meets the criteria for independence as a Director.		
7	<b>Special Resolution</b> for alteration of Memorandum of Association as per Companies Act, 2013.		
8	<b>Special Resolution</b> for re-appointment of Mr. Vinod Lath (DIN 00064774) as Managing Director for a further term of five years and for approval of payment of remuneration.		
9	<b>Special Resolution</b> for re-appointment of Mr. Pradeep Roongta (DIN 00130283) as Whole Time Director and Whole Chief Financial Officer for a further term of five years and for approval of payment of remuneration.		
10	<b>Special Resolution</b> for re-appointment of Mr. Ramesh Khanna (DIN 00130351) as Whole Time Director for a further term of five years and for approval of payment of remuneration.		

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: **27<sup>th</sup> September 2019 (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 **23<sup>rd</sup> August, 2019**.
- 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 27<sup>th</sup> September, 2019**. 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 (") 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 nay 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:

D 8 MIDC Phase II Manpada Road

Dombivli (East), Thane, Maharashtra-421203

Web: [www.sunilgroup.com](http://www.sunilgroup.com), Tel:0251-2870749