



SUNIL INDUSTRIES LIMITED

(AN ISO 9001 & 14001 CERTIFIED COMPANY)

Corporate Office
315, Rewa Chambers
New Marine Lines, Mumbai - 400 020
Tel. : (022) 2201 7389 / 2208 7860
Fax : (022) 2208 4594
E-mail : info@sunilgroup.com
www.sunilgroup.com

CIN No.: L99999MH1976PLC019331

Date: 02nd September, 2020

To,
Department of Corporate Service (DCS-CRD),
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Sub.: Submission of Annual Report for Financial Year 2019- 2020 as per Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Ref.:Sunil Industries Limited (Scrip Code - 521232).

Dear Sir,

Please find attached Annual Report for Financial year 2019-2020 pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Kindly take the same on your record and acknowledge the receipt of the same.

Thanking you.
Yours truly,

FOR SUNIL INDUSTRIES LIMITED



Mr. Sourabh Sahu
Company Secretary & Compliance Officer
ACS: 55322
Contact - 0251-2870749

44TH ANNUAL REPORT

2019 - 2020



**SUNIL INDUSTRIES LIMITED
(L99999MH1976PLC019331)**

Sr. No	Particulars	Page No.
1.	Notice	5- 13
2.	Directors' Report	14 - 77
3.	Secretarial Audit Report	41 - 45
4.	Corporate Governance Report	46 - 70
5.	Certificate on Corporate Governance by Practicing Company Secretary	71
6.	Management Discussion Report	73-77
7.	Auditors' Report	78 - 84
8.	Balance-Sheet	85
9.	Profit & Loss Account	86
10.	Cash Flow Statement	87
11.	Notes	88 -109

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. RohitGadia(DIN: 02175342)	:	Independent Director
Mr. Rajesh Tibrewal(DIN: 00130509)	:	Independent Director
Mrs. ShrutiSaraf (DIN: 07521927)	:	Independent Woman Director
Ms. Saurabh Sahu (ACS: 55322) Appointed w.e.f. 12.03.2020	:	Company Secretary

REGISTERED OFFICE:

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

MANUFACTURING UNITS:**Spinning Unit:**

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

Weaving Unit:

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

Processing Unit:

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

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
PhirozeJeejeebhoy Towers, Dalal Street,
Mumbai - 400 001.

44thANNUAL GENERAL MEETING

Date:	28th September, 2020
Day:	Monday
Time:	11.00 am
Place:	D-8, MIDC Phase II, Manpada Road, Dombivli (East), Dist - Thane, 421203

Sunil Industries Limited

CIN No: L99999MH1976PLC019331

**Reg Office: D 8 MIDC PhaseII, Manpada Road,
Dombivli (East),Thane,Maharashtra-421201.**

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 44th ANNUAL GENERAL MEETING OF MEMBERS OF SUNIL INDUSTRIES LIMITED WILL BE HELD ON MONDAY THE 28TH SEPTEMBER, 2020 AT 11.00 THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS, TO TRANSACT THE FOLLOWING.

ORDINARY BUSINESS:

Item no. 1: : APPROVAL OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2020 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2: APPROVAL FOR Re-APPOINTMENT OF MR. PRADEEP ROONGTA, WHOLE TIME DIRECTOR (HOLDING DIN 00130283) WHO IS RETIRING BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT

To appoint Mr. Pradeep Roongta, 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: APPROVAL OF REMUNERATION PAYABLE TO STATUTORY AUDITORS FOR FY 2020-21.

To provide and approve remuneration of the auditors of the Company for FY 2020-21.

SPECIAL BUSINESS:

Item no. 4: RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR FOR FINANCIAL YEAR 2020-21

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 2020-21 at remuneration of Rs. 1,25,000/- 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"

Notes:

1) In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the Circular Nos. 14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 respectively, the ("the Circulars") issued by the Ministry of Corporate Affairs and Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India, physical attendance of the Members at the Annual General Meeting (AGM) is

not required and the AGM can be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) wherein the facility to appoint proxy to attend and cast vote for the members will not be available at the AGM. Accordingly, considering the safety of the members of the Company, the AGM of your Company is being scheduled through audio visual means in compliance with the applicable provisions of the Companies Act, 2013 along with rules framed thereunder and the aforementioned circulars. Hence, Members have to attend and participate in the ensuing AGM through audio visual means

2) The ordinary resolution for ratification of Statutory Auditor is not proposed as pursuant to the Companies(Amendment) Act, 2017, the same is omitted w.e.f 7th May, 2018.

3) A Member entitled to attend and vote at the meeting is entitled to Appoint Proxy / Proxies to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.

4) Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013("the Act").

5) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution/ authorization letter to the Company or upload on the VC portal/ e-voting portal

6) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updating of Savings Bank Account details to their respective Depository Participants. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. Members holding shares in physical form who wish to avail NACH facility, may submit their bank details viz. Name of the Bank and Branch, their account type and Bank A/c No. with MICR No. and IFSC code along with the copy of cancelled cheque to the RTA at

Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

.Tel: +91 22 49186270 Fax: +91 22 49186060. Email: rnt.helpdesk@linkintime.co.in Website:

<http://www.linkintime.co.in>

7) Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.

8) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and 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, for which the members have to send a E-mail requesting the same.

9) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from **Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive).**

10) In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agent To facilitate distribution of Annual Report through E-mail, 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.

11) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.

12) In terms of Section 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.

13) An Electronic copy of the Notice of the 44th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting is being sent to all the members by email and physical copy of the same will not be made available to the Members of the company in line with the Circulars. For members who have not yet registered their email address, copies of the Notice of the 44th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting and attending the AGM through video conferencing will be available at the Website of the Company and the Stock Exchange i.e. BSE Limited.

14) Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report for 2019-20 will also be available on the Company's website www.sunilgroup.com for their download. Any member who wants to avail or inspect the documents available for inspection, can do so by writing a request through E-mail at info@sunilgroup.com. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, however such documents shall be dispatched taking into consideration the guidelines framed by Central and State Governments and local Administration and subject to working of postal Services of India Post. For any communication, the shareholders may also send requests to the Company's investor email id: info@sunilgroup.com.

15) 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.

16) 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 Website: <http://www.linkintime.co.in>.

17) 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).

18) Voting through electronic means:

- i. 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 44th 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.
- ii. The facility for voting, either through electronic voting shall also be made available at the during the course of 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 through E-voting.
- iii. 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 e-voting at the AGM.

19) In case of members receiving e-mail:

- i. The voting period begins **on Friday, 25th September, 2020 at 9.00 am and ends on Sunday, 27th September, 2020 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 **Monday, 21st September, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Open web browser.
- iv. Log on to the e-voting website www.evotingindia.com during the voting period.
- v. Click on “Shareholders” tab.
- vi. Now Enter your User ID:
 - a) For CDSL: 16 digits beneficiary ID;
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vii. Next enter the Image Verification Code / Captcha Code as displayed and Click on Login.
- viii. If you are holding shares in Demat Form and had logged on to www.evotingindia.com and had cast your vote earlier for EVSN of any company/entity, then your existing password is to be used.
- ix. 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*	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <p>For physical shareholders, please use the first two letters of your Name and the 8 digits of the sequence number in the PAN field.</p> <p>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.</p>
DOB#	<p>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.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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).</p>

- x. After entering these details appropriately, click on “SUBMIT” tab.
- xi. Members holding shares in physical form will then reach directly the “EVSN” selection screen.
- xii. 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.
- xiii. For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- xiv. Click on the **200826047** EVSN number of Sunil Industries Limited on which you choose to vote.

- xv. 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.
- xvi. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xvii. 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.
- xviii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xix. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xx. 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.
- xxi. Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- xxii. For Non – Individual Shareholders, Custodians and Institutional Shareholders:
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

20) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

- ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the Company suitably by email.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details 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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the

email address viz; info@sunilgroup.com and the Scrutinizer at hs@hsassociates.net , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Other Instructions:

- (A) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Members who need assistance before or during the AGM, can contact CDSL helpdesk.evoting@cdslindia.com or call 1800225533 or the Video conferencing provider at support@purvashare.com or call Tel: (022) 23016761
- (B) 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.
- (C) 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).
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (E) 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.
- (F) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of **Monday, 21st September, 2020**.
- (G) Mr. Prakash Naringrekar, Partner of M/s HS Associates, Practicing Company Secretaries (Membership No. ACS 5941 and COP 18955) has been appointed as the Scrutinizer to scrutinize voting process for the Annual General Meeting in a fair and transparent manner.
- (H) The Scrutinizer shall within a period not exceeding two 48 hrs 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
- (I) 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 48 hrs of the conclusion of the AGM of the Company and shall also be communicated to BSE Limited.

21) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the 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 by request through E-mail.

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

**SD/-
VINOD LATH
MANAGING DIRECTOR AND CHAIRMAN
DIN NO: 00064774
DATE: 28th AUGUST, 2020
PLACE: DOMBIVLI**

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

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

The Board, on the recommendation of the Audit Committee, at their meeting held on 14th August, 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 2020 -21.

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 2020-21.

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 2020 -21.

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 2020 - 21.

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.

Brief Particulars of Director Seeking Re-Appointment

Particulars	Pradeep Roongta
Date of Birth (Age)	58 years
Date of Appointment/Re-appointment	01st September, 2019
Qualifications	Commerce Graduate
Expertise in specific functional areas	Production & Administration

Directorships held in other public companies (excluding foreign companies and Section 8 companies)	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL
Number of shares held in the Company	13,600

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

**SD/-
VINOD LATH**

**MANAGING DIRECTOR AND CHAIRMAN
DIN NO: 00064774
DATE:28thAugust,2020
PLACE: DOMBIVLI.**

DIRECTORS' REPORT TO THE SHAREHOLDERS FOR FINANCIAL YEAR ENDED 31ST MARCH, 2020.

To,

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

Your Directors have great pleasure in presenting **44th Annual Report** along with the Audited Balance Sheet and Profit and Loss Account for the year ended on **31st March, 2020.**

1. FINANCIAL RESULTS:

The Financial Results are briefly indicated below:

Particulars	Financial Year 2019-20 (FY 2020)	Financial Year 2018-19 (FY 2019)
Total Income	915,900,633	108,48,09,802
Total Expenditure	905,228,140	107,16,57,568
Net Profit/(Loss) Before Tax	10,672,493	1,31,52,234
Provision for Tax	3,595,545	24,38,270
Net Profit/(Loss) After Tax	7,076,948	107,13,964
Other Comprehensive Income	(164,471)	171,142
Net Profit/(Loss) After Tax and Other Comprehensive Income	6,912,477	10,885,105
Profit/(Loss) b/f Previous Year	122,984,786	11,20,99,681
Balance c/f to Balance Sheet	129,897,263	122,984,786

2. PERFORMANCE OF THE COMPANY:

During the year ended 31st March, 2020, your Company reported total Income of Rs. 915,900,633/- which in comparison to previous year's figures have decreased by approximately 15.57 %, this is due to Textile Industry experiencing a downfall. The Net Profit after tax and OCI is Rs. 6,912,477/- as compared to 10,885,105/- in previous year marking a reduction of approximately 36.50 % but the overall profit carried forward to the Balance Sheet is Rs. 129,897,263/- which has increased by 5.62% 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, your Company does not recommend Dividend for the Financial Year 2019-2020.

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 2019-20. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

6. FUTURE PROSPECTS:

The domestic textiles and apparel industry contributes 2.3% to India's GDP, 7% of the country's manufacturing production and 13% of the country's export earnings. The textiles and apparel industry in India is the second-largest employer in the country providing employment to 45 million people. It is expected that this number will increase to 55 million by 2020. India has also become the second-largest manufacturer of PPE in the world. More than 600 companies in India are certified to produce PPEs today, whose global market worth is expected to be over \$92.5 bn by 2025, up from \$52.7 bn in 2019. FDI in the textiles and apparel industry has reached up to \$3.4 bn during 2020. Exports in the textiles and apparel industry are expected to reach \$300 bn by 2024-25 resulting in a tripling of Indian market share from 5% to 15%. Therefore considering potential market and the sound management of your Company, even though not a smooth road ahead due to the ongoing Covid 19 pandemic, your company will strive to achieve better than the current Financial Levels.

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

During the year there has been no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future. However as on the date of Signing this Report the Company along with its 3 Directors has paid aggregate Compounding fees as imposed by Honorable Regional Director, Western Region, of Rs. 5,01,700 (Five Lakh One Thousand Seven Hundred) on 27.08.2020 for violation of Section 203 of the act towards non- appointment of Company Secretary. Further the Company has also paid Penalty of Rs. 1,08,560/- and Rs. 53,100/- as imposed by SEBI for violation of Reg. 6 of SEBI LODR Regulations, 2015 towards non- appointment of Company Secretary cum Compliance officer, however the Company has made both the defaults good by appointment of Company Secretary and Compliance officer.

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. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed also discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The company has implemented special Covid-19 sanitization measures at all the units to

ensure safety of personnel operating on premises. Social distancing to mitigate and reduce contact between personnel has also been implemented. Safety at work is being followed at all times.

11. 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.

12. 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.

13. 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.

14. 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**.

15. 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.

16. 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 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.

17. 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.

18. 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.

19. 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 for conversion of the same as per Regulations 31 (2) of LODR. Further the Company has duly paid the Penalty as imposed under Reg. 6 of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 of Rs. 1,08,560/- and Rs. 53,100/ and has made the Default good by appointment of Company Secretary and Compliance officer on 12.03.2020. 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.

20. 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 and is also available at the Website of the Company.

21. DEPOSITS:

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

22. 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. RohitGadia	NA
Mrs. ShrutiSaraf	NA
Executive Directors	
Mr. Vinod Lath	1: 6.81
Mr. Pradeep Roongta	1: 6.81
Mr. Ramesh Khanna	1: 6.04
Company Secretary	
Mr. Saurabh Sahu	NA (since Appointed w.e.f. 12.03.2020)

- 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. RohitGadia	NA
Mr. Rajesh Tibrewal	NA
Mrs. ShrutiSaraf	NA
Mr. Vinod Lath	NO Increase from last year
Mr. Pradeep Roongta	NO Increase from last year
Mr. Ramesh Khanna	5.66 % Decrease from last year
Mr. Saurabh Sahu	100 % (since Appointedw.e.f. 12.03.2020)

- a. The median remuneration for the year 2019-20 is **Rs 1,76,254** /-
- b. The percentage increase/(decrease) in the median remuneration of employees in the financial year: **25.23%**
- c. The number of permanent employees on the rolls of Company: **36**

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

On an average, employees received an annual decrease of **3.05%**.

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.

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

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 31.03.2020	
Revenue	Rs. 91,59,00,633/-
Remuneration of KMPs (as a % of revenue)	0.38%
Profit before Tax (PBT)	Rs. 1,06,72,493/-
Remuneration of KMP (as a % of PBT)	32.57%

f. 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, 2020	March 31, 20219	% Change
Market Capitalisation	5,48,10,000	11,13,00,000	(50.75) %
Price Earnings Ratio (at Market Price)	13.05:1	26.5:1	(54.75)%

g. 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, 2020	IPO	% Change
Market Price (BSE)	13.05	30.00	(11.67) %

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

The average annual increase was around **3.05%**.

There decrease in the managerial remuneration for the relevant year as compared to previous year is **1.50%**.

i. 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)	Mr. Saurabh Sahu (Present Company Secretary from 12.03.2020)
Remuneration in FY 2019-2020	Rs. 12,00,000	Rs. 12,00,000	Rs. 10,64,280	Rs. 12,000
Revenue Rs. 91,59,00,633/-				
Remuneration as % of Revenue	0.13%	0.13%	0.11%	0.0014%
Profit before Tax (PBT): Rs. 1,06,72,493				
Remuneration as % of Profit before Tax	11.24%	11.24%	9.97%	0.11%

j. The key parameters for any variable component of remuneration availed by the directors:

There are no variable components of remuneration provided to the Directors.

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

k. 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 30th August, 2020 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: www.sunilgroup.com.

l. 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.

23. DIRECTORS & KEY MANAGERIAL PERSONNEL:

A. Independent Directors/Non-Executive 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. RohitGadia, Mrs. ShrutiSaraf and Mr. Rajesh Tibrewal are the Independent Directors on the Board.

DECLARATION OF INDEPENDENT DIRECTORS

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.

Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year

The Board states that during the financial year there has been no new appointment of Independent Directors and its present three Independent Directors fulfil the conditions of integrity, expertise and experience based on the size and operations of your Company. Further the Board hereby states that as per the due date for the online proficiency self-assessment test has been extended by the Ministry of Corporate affairs till 30.09.2020, the Independent Directors are in the process of Completion of the said proficiency test.

Key Managerial Personnel/ Executive Directors:

Mr. Vinod Lath, Managing Director, Mr. Pradeep Roongta, CFO and Whole Time Director, Mr. Ramesh Khanna, Whole Time Director, Mr. Saurabh Sahu, Company Secretary are the Key Managerial Personnel of the Company. The previous Company Secretary, Ms. Swati Baghhad resigned from her office on 14.02.2020 and Mr. Saurabh Sahu was appointed as a Company Secretary as on 12.03.2020.

Mr. Pradeep Roongta is liable to retire by rotation in this 44th Annual General Meeting and being eligible he has offered himself for re-appointment as Director. The Board recommends his re-appointment for your approval.

B. DIRECTORS RESPONSIBILITY STATEMENT:

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

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020, and that of the profit of the Company for the year ended on that date.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on a going concern basis.
- v. The Board has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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 **Seven (7)** times on **30.05.2019; 20.06.2019; 02.08.2019; 14.08.2019; 14.11.2019; 16.12.2019** and **14.02.2020**.

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. The Audit Committee Met **5(Five)** times in the Financial year. 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. The Committee Met **3 (Three)** times in the Financial year.

Details of the Nomination, Remuneration and Evaluation Policy are set out are available at website of the Company at 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 along with the Familiarization programme for F.Y 2019-20 along with the hours spent on the Programme.

I. SECRETARIAL STANDARDS:

Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 as revised by the ICSI, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been followed by the Company.

24. 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. No instance under the Whistle Blower Policy was reported during the financial year 2018-19.

25. PUBLIC DEPOSITS:

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

26. REPORTING OF FRAUD BY AUDITORS

During the year under review, the Auditors of the Company have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act.

27. 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, 26th September, 2017 for the period of five (5) years. i.e. upto the Annual General Meeting to be held in year 2022.

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 RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is applicable to your Company.

C. COST AUDITOR:

M/s Shanker Chaudhary & Co, Cost Accountant are appointed as Cost Accountants in compliance of Section 148(1) read with Section 139 of the Companies Act, 2013 to audit Cost records maintained by the Company for the financial year ended 31st March, 2020. The resolution for ratification of remuneration to be paid to them for FY 2020-21 is put forward for your approval in compliance of Section 148 read with Companies (Audit and Auditors) Rules, 2014.

D. INTERNAL AUDITORS:

The company had appointed H. Mehta & Co., Chartered Accountants, Mumbai, as Internal Auditor of the company for Financial Year 2019-20.

E. 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.

28. 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.

29. 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.

30. 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**.

31. 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.

32. 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: 28th AUGUST, 2020.

PLACE: DOMBIVLI.

ANNEXURE A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020

Information pursuant to the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

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

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

		31/03/2020	31/03/2019
A.	POWER & FUEL CONSUMPTION		
1.	Electricity		
a)	Purchased		
	Units (in lakhs) (in kwh)	17.90	31.34
	Amount in Rupees (in lakhs)	138.38	231.88
	Rate per Unit (in Rupees)	7.73	7.40
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	Fabrics (kwh/meter)	0.21	0.33

B. TECHNOLOGY ABSORPTION

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

C. RESEARCH AND DEVELOPMENT

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

Research and Development (R & D)	31/03/2020	31/03/2019
	Rs.	Rs.
Expenditure on (R & D)	Nil	Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as under

Particulars	31/03/2020	31/03/2019
	Rs in Lakhs	Rs in Lakhs
Foreign exchange Earnings	--	--
(FOB Value of Exports)	--	--
Foreign Exchange outgo:		
Cloth imported (Purchased)	--	--
Stores Imported (CIF Value)	--	--
Foreign travel	--	--

ON BEHALF OF THE BOARD

FOR SUNIL INDUSTRIES LIMITED

SD/-
VINOD LATH
MANAGING DIRECTOR& CHAIRMAN
DIN NO: 00064774
DATE: 28th AUGUST,2020
PLACE: DOMBIVLI

ANNEXURE B TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at Arm's Length Basis:

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at Arm's Length Basis:

(a) Name(s) of the related party and nature of relationship	<u>Rarefab Textiles Private Limited</u>	<u>EskeTex India Private Limited</u>	<u>Vanda na Lath</u>	<u>Sunil Fabrics Private Limited</u>	<u>Beena Roongta</u>	<u>Prateek Roongta</u>
(b) Nature of contracts/ arrangem ents/ transactio ns	Weaving Charges	Interest Paid	Rent Paid	Rent Paid	Salary Paid	Salary Paid
(c) Duration of the contracts / arrangem ents/trans actions	12 months	12 months	12 months	12 months	12 months	12 months
(d) Salient terms of	Rs. 36,96,756/-	Rs. 9,74,727/-	Rs. 6,00,00	Rs. 5,000 per	Rs. 8,40,000	Rs. 6,00,000

the contracts or arrangements or transactions including the value, if any	per annum	per annum	0 per annum	annum	per annum	per annum
(e) Date(s) of approval by the Board, if any:	30 th May, 2019	30 th May, 2019	30 th May, 2019	30 th May, 2019	30 th May, 2019	30 th May, 2019
(f) Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL	NIL

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

**SD/-
VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774
DATE: 28th AUGUST, 2020
PLACE: DOMBIVLI**

ANNEXURE C TO THE DIRECTORS 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	Link Intime India Pvt. Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel: +91 22 49186270 Fax: +91 22 49186060 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 Product/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/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
NOT APPLICABLE					

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1 st April, 2019)				No. of Shares held at the End of the year (31 st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	11,26,600	52,000	11,78,600	28.06	11,26,600	52,000	11,78,600	28.06	-
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.	9,74,600	3,17,500	12,92,100	30.76	9,74,600	3,17,500	12,92,100	30.76	-
e) Bank/ FI	0	0	0	0	0	0	0	0	-
f) Any Other	0	0	0	0	0	0	0	0	-
Sub-Total (A)(1)	21,01,200	3,69,500	24,70,700	58.83	21,01,200	3,69,500	24,70,700	58.83	0.00
2. Foreign	0	0	0	0	0	0	0	0	-
a) NRIs-Individuals	0	0	0	0	0	0	0	0	-
b) Other-Individuals	0	0	0	0	0	0	0	0	-
c) Bodies Corp.	0	0	0	0	0	0	0	0	-
d) Bank/ FI	0	0	0	0	0	0	0	0	-
e) Any Other	0	0	0	0	0	0	0	0	-
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	-
Total shareholding of Promoter (A) (A)(1) + (A)(2)	21,01,200	3,69,500	24,70,700	58.83	21,01,200	3,69,500	24,70,700	58.83	0.00
B. Public Shareholding									
1. Institutions									
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	-
d)State Govt(s).	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i)Others (specify)	0	0	0	0	0	0	0	0	-
Sub-Total (B)(1)	0	5100	5100	0.12	0	5100	5100	0.12	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	30200	151500	181700	4.33	34,200	1,51,500	1,85,700	4.42	2.20
a) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals	0	0	0	0	0	0	0	0	-
i)Individual shareholders holding nominal share capital uptoRs. 2 lakh	204200	925000	1129200	26.89	2,07,600	9,13,300	11,20,900	26.69	(0.73)
ii)Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	115800	35000	150800	3.59	1,26,600	35000	1,61,600	3.85	7.16
b) Others (specify)									
HUF	17200	0	17200	0.41	11,100	0	11,100	0.26	(35.47)
CLEARING MEMBER	200	0	200	0.00	0	0	0	0	(100)
OFFICE	0	11900	11900	0.28	0	11,700	11,700	0.28	-

BEARERS									
NON-RESIDENT INDIANS (REPAT & NON-REPAT)	4000	229200	233200	5.55	4000	229200	233200	5.55	-
Total Public shareholding (B) (B)(1) + (B)(2)	3,71,600	13,57,700	17,29,300	41.17	3,83,500	13,45,800	17,29,300	41.17	-
C. Shares held by Custodian for GDRs & ADRs									
NIL									
Grand Total (A+B+C)	24,72,800	17,27,200	42,00,000	100	24,84,700	17,15,200	42,00,000	100	-

(iii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 st April, 2019			Shareholding at the end of the year 31 st March, 2020			% change in shareholding 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	BhaveshHasmukhlal 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	ChandraprakashSinghan	700	0.02	-	700	0.02	-	-
7	Deepak Lath	300	0.01	-	300	0.01	-	-
8	EskeTex India Pvt Ltd	128200	3.05	-	128200	3.05	-	-
9	Jagadish Kumar Sanwalka	3200	0.05	-	3200	0.05	-	-

10	JugalKishor 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 EssabhaiVas tani	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	Pradeep Roongta	13600	0.32	-	13600	0.32	-	-
18	Prakash Raichand Shah	5000	0.12	-	5000	0.12	-	-
19	Preeti Lath	400	0.01	-	400	0.01	-	-
20	Pushpadevi J Sanwalka	1500	0.04	-	1500	0.04	-	-
21	Raj Jaisingh	4400	0.1	-	4400	0.1	-	-
22	Rajshree Fiscal Services Ltd	317500	7.56	-	317500	7.56	-	-
23	Ramashanka r Lath	9600	0.23	-	9600	0.23	-	-
24	Saroj Vinod Lath	335200	7.98	-	335200	7.98	-	-
25	Sunil Exim Pvt Ltd	344900	8.21	-	344900	8.21	-	-
26	Sunil Fabrics Pvt Ltd	161000	3.83	-	161000	3.83	-	-
27	Sunil Prints Pvt Ltd	204400	4.87	-	204400	4.87	-	-
28	Sunil Synthetics Pvt Ltd	136100	3.24	-	136100	3.24	-	-
29	VandanaLax mikant Lath	119200	2.84	-	119200	2.84	-	-
30	Vinod Dharnidharka	1000	0.02	-	1000	0.02	-	-
31	Vinod Gajanand Lath	322200	7.67	-	322200	7.67	-	-
32	Vinod Gajanand Lath HUF	80400	1.91	-	80400	1.91	-	-
		2470700	58.83	-	2470700	58.83	-	-

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

Sr. No.		Shareholding at the beginning of the year (1 st April, 2019)		Cumulative Shareholding during the year (31 st March, 2020)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
No Change in Promoters Shareholding during the year					

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MAHENDRA GIRDHARILAL	46300	1.1024			46300	1.1024
	Transfer			06 Dec 2019	5400	51700	1.2310
	Transfer			13 Dec 2019	100	51800	1.2333
	Transfer			31 Dec 2019	200	52000	1.2381
	Transfer			17 Jan 2020	200	52200	1.2429
	Transfer			31 Jan 2020	100	52300	1.2452
	Transfer			07 Feb 2020	200	52500	1.2500
	Transfer			14 Feb 2020	500	53000	1.2619
	Transfer			28 Feb 2020	300	53300	1.2690
	Transfer			13 Mar 2020	100	53400	1.2714
	Transfer			20 Mar 2020	200	53600	1.2762
	Transfer			27 Mar 2020	100	53700	1.2786
	AT THE END OF THE YEAR					53700	1.2786
2	DHEERAJ KUMAR LOHIA	32900	0.7833			32900	0.7833
	Transfer			14 Jun 2019	6000	38900	0.9262
	AT THE END OF THE YEAR					38900	0.9262
3	ASHOK S. MAHESHWARI	36600	0.8714			36600	0.8714
	AT THE END OF THE YEAR					36600	0.8714

4	MITA D DOSHI	35000	0.8333			35000	0.8333
	AT THE END OF THE YEAR					35000	0.8333
5	MONOTONA SECURITIES TD	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000
6	SHELL SECURITIES LTD	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000
7	RAJ KAUSHIK	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000
8	PAWAN KAUSHIK	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000
9	KRISHNAMURTHY VAIDYANATHAN	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000
10	SANJAY KUMAR KHANDELWAL	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000

(vi) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of the year.	
	Name of the Director /KMP	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.	RohitGadia	Nil	Nil	Nil	Nil
5.	Rajesh Tibrewal	Nil	Nil	Nil	Nil
6.	ShrutiSaraf	Nil	Nil	Nil	Nil
7.	Ms. Swati Bagh (Former Company Secretary till 14.02.2020)	Nil	Nil	Nil	Nil
8.	Mr. Saurabh Sahu(Present Company	Nil	Nil	Nil	Nil

	Secretary appointed w.e.f. 12.03.2020				
--	---------------------------------------	--	--	--	--

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	153238611	159473002	NIL	312711613
ii) Interest due but not paid	-	10504438	-	10504438
iii) Interest accrued but not due	106428	-	-	106428
Total (i+ii+iii)	153345039	169977440	-	323322479
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	8216795	20407187	-	28623982
Net Change	(8216795)	(20407187)	-	(28623982)
Indebtedness at the end of the financial year				
i) Principal Amount	144982773	140087205	-	285069978
ii) Interest due but not paid	-	9483048	-	9483048
iii) Interest accrued but not due	145471	-	-	145471
Total (i+ii+iii)	145128244	149570253	-	294698497

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount

		Vinod Lath- (Managing Director)	Pradeep Roongta- (Whole Time Director & CFO)	Ramesh Khanna- (Whole Time Director)	
1.	<u>Gross Salary</u>				
	Salary as per provisions contained in section 17(1) of the Income Tax Act	12,00,000	12,00,000	10,64,280	34,64,280
	Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0	0	0
	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.	<u>Commission</u> - As % of Profit - Others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	12,00,000	12,00,000	10,64,280	34,64,280
	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
		Ms. Astha Jain (Former Company Secretary till 01.08.2019)	Ms. Swati Bagh (Former Company Secretary from 16.12.2019 to 14.02.2020)	Mr. Saurabh Sahu (Present Company Secretary from 12.03.2020)	
1.	<u>Gross Salary</u>				
	Salary as per provisions contained in section 17(1) of the Income Tax	30,000/-	35,865/-	12,000/-	77,865/-

	Act				
	Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0		0
	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.	<u>Commission</u> - As % of Profit - Others, specify	0	0		0
5.	Others, please specify	0	0		0
	Total	30,000/-	35,865/-	12,000/-	77,865/-
	Ceiling as per the Act	NA	NA		NA

C. Remuneration of other Directors:

Sr. No.	Particulars of Remuneration	Names of other Directors			Total Amount
		RohitGad ia (Independent Director)	Rajesh Tibrewal (Independent Director)	ShrutiSaraf(Independent Woman Director)	
	Independent Directors	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total Remuneration	0	0	0	0
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

VI. 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, if any
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding *	203	For Non-Appointment of Company Secretary	Rs. 1,00,000/- (One Lakh)	RD, Western Region	NA
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding *	203	For Non-Appointment of Company Secretary	Rs. 4,01,700/- (Four Lakh One Thousand Seven Hundred) (i.e 1,33,900/- each for 3 Directors)	RD, Western Region	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

* As on the date of Signing this Report the Company along with its 3 Directors has paid aggregate Compounding fees of Rs. 5,01,700 (Five Lakh One Thousand Seven Hundred) on 27.08.2020 for violation of Section 203 of the act towards non- appointment of Company Secretary.

ON BEHALF OF THE BOARD

FOR SUNIL INDUSTRIES LIMITED

SD/-
VINOD LATH
MANAGING DIRECTOR& CHAIRMAN
DIN NO: 00064774
DATE: 28TH AUGUST, 2019
PLACE: DOMBIVLI

ANNEXURE D TO DIRECTORS REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2020.

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

To,

The Members,

Sunil Industries Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2020, 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.

- 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:

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

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

1. ***The Company has not Dematerialized 100 % of Shareholding of Promoter and Promoter Group as per Regulation 31 (2) of Listing Obligation and Disclosure requirements, Regulations 2015.***
2. ***The Company has been levied penalty for Non-Compliance of Reg. 6 of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 of Rs. 53,100/- (Fifty Three Thousand One Hundred) by BSE Limited for the Quarter ended 31.03.2019 and penalty of Rs. Rs.1,08,560/- (One Lakh Eight Thousand Five Hundred Sixty) for FY 2018-19 and Company paid both the requisite penalties with delay. Further for Delayed payment of Penalty the entire holding of the Promoter and Promoter Group was Freezed by the Depositories at the direction of BSE Limited.***
3. ***The Annual Disclosure submitted by promoters and Promoter group of the Company is not appearing on the website of the Stock Exchange for Financial Year 2018-19.***

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 2019-2020 at the Annual General Meeting of the Company held on 28th September, 2019.
2. The Company has ratified payment of remuneration payable to Statutory Auditors for FY 2019-20 at the Annual General Meeting of the Company held on 28th September, 2019.

3. The Company has approved Related Party Transactions up to a maximum limit of Rs. 75 (Seventy Five) crores with each related party at the Annual General Meeting of the Company held on 28th September, 2019.
4. The Company has Re-appointed Mr. RohitGadia (DIN 02175342) as Independent Director for a second consecutive term of five years, at the Annual General Meeting of the Company held on 28th September, 2019.
5. The Company has Re-appointed Mr. Vinod Lath (DIN 00064774) as Managing Director of the Company for a period of 5 consecutive years with effect from 1st September, 2019 up to 31st August, 2024, at the Annual General Meeting of the Company held on 28th September, 2019.
6. The Company has Re-appointed Mr. Pradeep Roongta (DIN: 00130283) as Whole-Time Director and CFO of the Company for a period of 5 consecutive years with effect from 1st September, 2019 up to 31st August, 2024, at the Annual General Meeting of the Company held on 28th September, 2019.
7. The Company has Re-appointed Mr. Ramesh Khanna (DIN: 00130351) as Whole-Time Director of the Company for a period of 5 consecutive years with effect from 1st September, 2019 up to 31st August, 2024, at the Annual General Meeting of the Company held on 28th September, 2019.
8. Altered Memorandum of Association as per the provisions of the Companies Act, 2013 at the Annual General Meeting of the Company held on 28th September, 2019.
9. Ms. Astha Jain who was appointed as a Company Secretary and Compliance Officer on 14.02.2019, resigned from the said post on 01.08.2019. Ms. Swati Bagh was subsequently appointed as a Company Secretary and Compliance Officer on 16.12.2019, and resigned from the said post on 14.02.2020. Mr. Saurabh Sahu was subsequently appointed as a Company Secretary and Compliance Officer on 12.03.2020
10. As on the date of Signing this Report the Company along with its 3 Directors has paid aggregate Compounding fees of Rs. 5,01,700 (Five Lakh One Thousand Seven Hundred) on 27.08.2020 for violation of Section 203 of the Companies Act, 2013 towards non- appointment of Company Secretary.

Place:Mumbai.

Date: 28.08.2020

ICSI UDIN: F002827B000622655

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483**

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

Annexure I

To,
The Members,
Sunil Industries Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Data received from the Company partially through electronic mode as physical verification of the data and corresponding documents could not be accessed during the course of audit due to the ongoing COVID-19 pandemic.

Place: Mumbai.

Date: 28.08.2020

ICSI UDIN: F002827B000622655

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483**

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.

Place: Mumbai.

Date: 28.08.2020

ICSI UDIN: F002827B000622655

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483**

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, 2020 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	30.05.2019, 20.06.2019, 02.08.2019, 14.08.2019, 14.11.2019, 16.12.2019, 14.02.2020	Yes	Nil	Nil
2.	Mr. Pradeep Roongta	Whole Time Director	30.05.2019, 20.06.2019, 02.08.2019, 14.08.2019, 14.11.2019,	Yes	Nil	Nil

			16.12.2019, 14.02.2020			
3.	Mr. Ramesh Khanna	Whole Time Director	30.05.2019, 20.06.2019, 02.08.2019, 14.08.2019, 14.11.2019, 16.12.2019, 14.02.2020	Yes	Nil	Nil
4.	Mr. Rajesh Tibrewal	Independent and Non-Executive Directors	30.05.2019, 20.06.2019, 02.08.2019, 14.08.2019, 14.11.2019, 16.12.2019, 14.02.2020	Yes	Nil	Nil
5.	Mr. Rohit Gadia	Independent and Non-Executive Directors	30.05.2019, 20.06.2019, 02.08.2019, 14.08.2019, 14.11.2019, 16.12.2019, 14.02.2020	Yes	Nil	Nil
6.	Ms. Shruti Saraf	Woman Independent Non-Executive Director	30.05.2019, 20.06.2019, 02.08.2019, 14.08.2019, 14.11.2019, 16.12.2019, 14.02.2020	Yes	Nil	Nil

* Directorship only of public limited company is considered

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

Sr. No.	Name of Director	*No. of other Directorship	No. of Other Committee Membership 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 **Seven (Seven)** 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 **30.05.2019; 20.06.2019; 02.08.2019; 14.08.2019; 14.11.2019; 16.12.2019 and 14.02.2020.**

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. RohitGadia 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. ShrutiSaraf 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.	ShrutiSaraf	Nil	Nil
3.	Mr. RohitGadia	Nil	Nil

g) **Details of Familiarization program imparted to Independent Directors for FY 2019-20:**

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 2019-20 can be accessed from the website: 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:**

Business Management	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.
Strategy, Leading and Planning	Setting priorities, focusing resources and motivating employees towards achievement of common goal and objective of the organisation.
Corporate Governance	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.
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In the table below, the areas of core competencies, skills and attributes of Individual Directors have been highlighted

Sr. No.	Name of Director	Business Management	Strategy, Leading and Planning	Corporate Governance
1.	Mr. Vinod Lath	Yes	Yes	Yes
2.	Mr. Pradeep Roongta	Yes	Yes	-
3.	Mr. Ramesh Khanna	Yes	-	Yes
4.	Mr. Rajesh Tibrewal	Yes	Yes	Yes
5.	Mr. RohitGadia	Yes	-	Yes
6.	Ms. ShrutiSaraf	Yes	-	Yes

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.

The Board confirms that the Independent Directors of the Company fulfil the conditions specified in SEBI LODR regulations,2015 and the Companies Act, 2013 and are independent of the management. Further there has been no resignation of an Independent Director before the expiry of his tenure during the Financial Year 2019-20.

3. Audit Committee:

a) 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.

b) 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 (5) times** in financial year 2019-20 viz: 30.05.2019; 20.06.2019; 14.08.2019; 14.11.2019 and 14.02.2020. 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 28th September, 2019. The composition of the Committee during the year 2019-20 and the details of meetings held and attended by the Directors are as under:

Mr. Rajesh Tibrewal	Chairman
Mr. RohitGadia	Member
MS. ShrutiSaraf	Member
Mr. Pradeep Roongta	Member

Mr. Saurabh Sahu, Company Secretary is the secretary to the Audit Committee w.e.f 12.03.2020

c) 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:

The Audit Committee met **5 (Five)** times in Financial Year 2019-20 viz 30.05.2019; 20.06.2019; 14.08.2019; 14.11.2019 and 14.02.2020.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Mr. Rajesh Tibrewal	Independent Director	5
Mr. RohitGadia	Independent Director	5
MS. ShrutiSaraf	Independent Director	5
Mr. Pradeep Roongta	Whole-Time Director	5

4. Nomination & 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 **(3) Threetimes** during the year 2019-20. 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 28th September, 2019. The Committee comprises of 3 Non-Executive Independent Directors.

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 2019-20 is as follows:

Mr. Rajesh Tibrewal	Chairman
Mr. RohitGadia	Member
Ms. ShrutiSaraf	Member

Mr. Saurabh Sahu, Company Secretary is the secretary to the Committee w.e.f 12.03.2020

c) Meeting and Attendance during the year:

The Nomination and Remuneration Committee has held **3 (Three)** meetings viz 14.08.2019; 16.12.2019 and 14.02.2020 during the year. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Mr. Rajesh Tibrewal	Non-executive Independent Director	3
Mr. RohitGadia	Non-executive Independent Director	3
Ms. ShrutiSaraf	Non-executive Independent Director	3

d) Performance Evaluation Criteria for Independent Directors:

- **Guidelines regarding appointment of directors:** The Nomination & Remuneration Committee have approved a Policy for the Selection, Appointment and Remuneration of Directors. In line with the said Policy, the Committee facilitate the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board.

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time. The Managing Director and all the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute. As required under Regulation 46(2)(b) of the Listing Obligation and Disclosure Requirements, Regulations, 2015 the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment are posted on the Company's website and can be accessed at www.sunilgroup.com.

- **Membership term:**As per the Articles of Association of the Company, at least two-thirds of the Board of Directors should be retiring Directors. One-third of these Directors are required to retire every year and if eligible, the retiring Directors qualify for re-appointment.
- **Meeting of Independent Directors:** The Company's Independent Directors met on 14th February 2020 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:

i. Details of Remuneration Paid to the Directors:

The remuneration of the managing director and executive director is recommended by the Remuneration Committee, then approved by the Board of Directors and subsequently by the shareholders in general meeting within the limits prescribed in Companies Act, 2013.

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. 10,64,280
Performance bonus	--	--	--
Provident Fund & Gratuity Fund	--	--	--
Stock Option	--	--	--

Details of remuneration paid to Non-Executive Directors:

Name	Mr. Rajesh Tibrewal	Mr. RohitGadia	Ms. ShrutiSaraf
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.
- 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's 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 2019-20 - viz: 30.05.2019; 14.08.2019; 14.11.2019 and 14.02.2020. The composition of the Committee during financial year 2019-120 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. RohitGadia	Member
Ms. ShrutiSaraf	Member

Mr. Saurabh Sahu, Company Secretary is the secretary to the Committee w.e.f 12.03.2020

Meeting and Attendance during the year:

The Stakeholder's Relationship Committee has (4) Four times in FY 2019-20 - viz: 30.05.2019; 14.08.2019; 14.11.2019 and 14.02.2020. 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	4
Mr. RohitGadia	Non-executive Independent Director	4
Ms. ShrutiSaraf	Non-executive Independent Director	4

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:

Mr. Saurabh Sahu, who is Company Secretary is also the Compliance Officer of the Company w.e.f 12.03.2020

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

The company received (**Nil**) complaints from Shareholders during the Financial Year 2019-20.

d) Number unsolved to the satisfaction of shareholders:

There were no unsolved complaints to the satisfaction of shareholders.

e) Number of Pending Complaints:

There were no Shareholder Complaints .

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	Location	Special Resolution(s)
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	<p>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.</p> <p>2. Approval for increase in borrowing limits in excess of limits specified under Section 180 (1) (c) of Companies Act, 2013.</p> <p>3. Approval for making investment (s), loans, guarantees and security in excess of limits specified under Section 186 of Companies Act, 2013.</p>

2018-2019	28.09.2019	11.00 am	D-8, MIDC, Manpada Road, Dombivli (E), Thane – 421 201	<p>1. Re-Appointment of RohitGadia as an Independent Director</p> <p>2. Alteration of Memorandum of Association as per the provisions of the Companies Act, 2013</p> <p>3. Re-Appointment of Vinod Lath AS Managing Director and approval for payment of remuneration</p> <p>4. Re-Appointment of Pradeep Roongta as Whole Time Director and Chief Financial officer and approval for payment of remuneration.</p> <p>5. Re-appointment of Ramesh Khanna as Whole Time Director and approval for payment of remuneration.</p>
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- 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.

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

The Yearly/Quarterly results are published in one English language newspaper being the Free PressJournal 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 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. 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 44th Annual General Meeting is scheduled to be held on **Monday, the 28th day of September, 2020** 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 th June)	28 th August, 2020
Annual General Meeting	28 th September, 2020
Second Quarter Results (30 th September)	By Mid-November, 2020
Third Quarter Results (31 st December)	By Mid-February, 2021
Fourth Quarter / Annual Results	By End of May, 2021

c) **Payment of Dividend:**

The Board of Directors have not proposed any dividend for the Financial Year ended 31st March, 2020 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 31st March, 2020 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 2019 to the end of March 2020 at BSE is given hereunder:

Month	BSE		
	High	Low	Volume of shares traded (Nos)
Apr-19	25.20	25.20	100

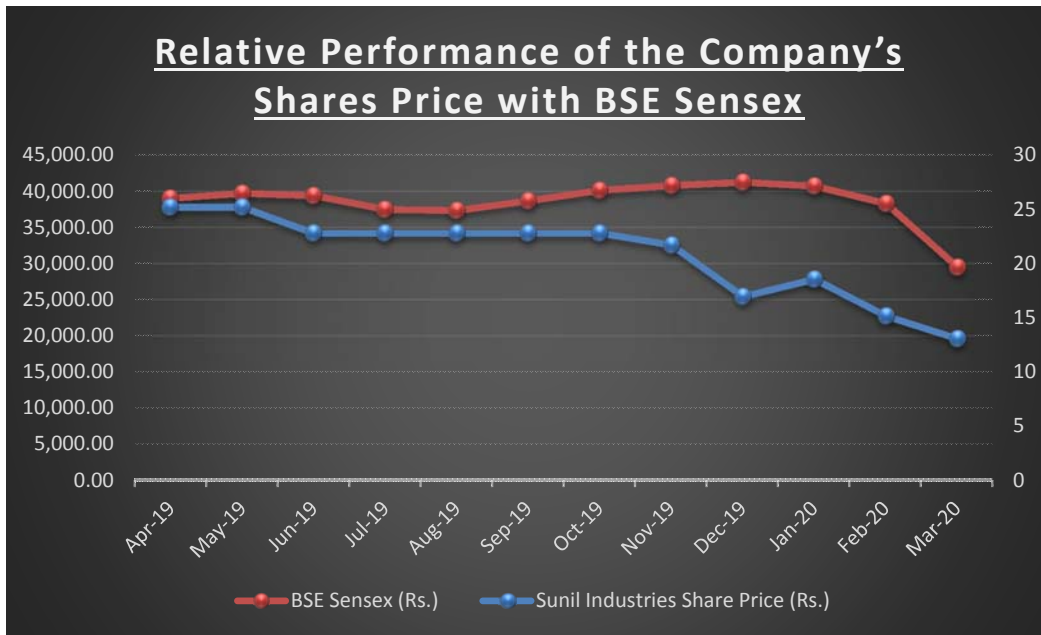
May-19	25.20	25.20	-
Jun-19	23.95	22.80	6,800
Jul-19	23.95	22.80	-
Aug-19	23.95	22.80	-
Sep-19	23.95	22.80	-
Oct-19	23.95	22.80	-
Nov-19	21.70	21.70	600
Dec-19	20.65	16.95	5,300
Jan-20	18.55	16.95	400
Feb-20	20.25	15.15	1,500
Mar-20	14.40	13.05	400

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 2019-20:

Months	Sunil Industries Share Price (Rs.)	BSE Sensex (Rs.)
Apr-19	25.20	39,031.55
May-19	25.20	39,714.20
Jun-19	22.80	39,394.64
Jul-19	22.80	37,481.12
Aug-19	22.80	37,332.79
Sep-19	22.80	38,667.33
Oct-19	22.80	40,129.05
Nov-19	21.70	40,793.81
Dec-19	16.95	41,253.74
Jan-20	18.55	40,723.49
Feb-20	15.15	38,297.29
Mar-20	13.05	29,468.49



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 is as follows:

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 31stMarch, 2020**

Shareholding of Shares		Number of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1	5000	6153	95.4397	766500	18.2500
5,001	10,000	146	2.2646	122000	2.9048
10,001	20,000	47	0.7290	75000	1.7857
20,001	30,000	19	0.2947	49100	1.1690
30,001	40,000	10	0.1551	35100	0.8357
40,001	50,000	19	0.2947	49100	1.1690

50,001	1,00,000	17	0.2637	140100	3.3357
Above 1,00,001		36	0.5584	2921700	69.5643
TOTAL		6447	100.00	4200000	100.00

l) Categories of Shareholders as on 31st March, 2020

Category	No. of Shares Held	% Shareholding
Corporate Bodies(Promoter Companies)	1292100	30.7643
Other Bodies Corporate	185700	4.4214
Directors	368000	8.7619
Hindu Undivided Family	11100	0.2643
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	11700	0.2786
Persons Acting in Concert	6200	0.1476
Public	1334500	31.7738
Promoters (excluding directors and their relatives)	55800	1.3286
Relative of Directors	702800	16.7333
TOTAL	4200000	100.00

m) Dematerialization of securities and liquidity:

Names of depositories for dematerialization of equity shares are as under:

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

As on 31st March, 2020, **59.16%** of the Company's total shares representing **24,84,700** shares were held in de-materialized form and the balance **40.84%** representing **17,34,800** shares in paper form. The details are given below:

Type	No. of Shares Held	% Shareholding
<u>De-materialized shares</u>		
With N.S.D.L.	12,54,095	29.86
With C.D.S.L.	12,30,605	29.30
Total Demat shares	24,84,700	59.16
Physical shares	17,15,300	40.84
TOTAL	42,00,000	100.00%

n) **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.**

o) **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.

p) **Plant locations:**

The Company's Plant is located as under.

- **Spinning Unit:**
S. F. Mo. 324/1, Karungal Village,
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

q) **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 (East),
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.

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 also paid Penalty of Rs. 1,08,560/- and Rs. 53,100/- as imposed by SEBI for violation of Reg. 6 of SEBI LODR Regulations, 2015 towards non- appointment of Company Secretary cum Compliance officer, however the Company has made the requisite payment of penalties and has the default good by appointment of Company Secretary and Compliance officer.

There had been a casual vacancy caused by resignation of previous Company Secretary and hence during the period of vacancy Reg 7(3) and Reg 27(2) was signed by Managing Director

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

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.

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 for HS Associates, Practising Company Secretaries and is attached to this report.

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 **Tuesday, 22nd September, 2020 to Monday, 28th September, 2020** (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 43rd 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.

The Company has also paid Penalty of Rs. 1,08,560/- and Rs. 53,100/- as imposed by SEBI for violation of Reg. 6 of SEBI LODR Regulations, 2015 towards non- appointment of Company Secretary cum Compliance officer, however the Company has made the requisite payment of penalties and has the default good by appointment of Company Secretary and Compliance officer.

There had been a casual vacancy caused by resignation of previous Company Secretary and hence during the period of vacancy Reg 7(3) and Reg 27(2) was signed by Managing Director. The Company has paid the requisite penalty imposed under Reg 6 for non -appointment of Company Secretary.

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:** AExecutive 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:28th AUGUST, 2020
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 31st March, 2020 which is annexed separately in Annual report.

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

Material Related Party Transaction:

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

Pecuniary Relationships

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

Penalties:

The Company has also paid Penalty of Rs. 1,08,560/- and Rs. 53,100/- as imposed by SEBI for violation of Reg. 6 of SEBI LODR Regulations, 2015 towards non- appointment of Company Secretary cum Compliance officer, however the Company has made the requisite payment of penalties and has the default good by appointment of Company Secretary and Compliance officer, apart from that company was not subject to any penalties or strictures by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Material Subsidiaries Policy:

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

Vigil Mechanism and Whistle-Blower Policy:

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

Code of Conduct

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

FOR SUNIL INDUSTRIES LIMITED

FOR SUNIL INDUSTRIES LIMITED

Sd/-

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

Sd/-

**Mr. Pradeep Roongta
(CFO)**

Date: 28th August, 2020

Place: Dombivli

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 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, 2020:

- a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2020 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 LIMITED

Sd/-
Mr. Vinod Lath
(MANAGING DIRECTOR)

FOR SUNIL INDUSTRIES LIMITED

Sd/-
Mr. Pradeep Roongta
(CFO)

Date: 28th August, 2020
Place: Dombivli

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

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/-
VINOD LATH
MANAGING DIRECTOR & CHAIRMAN
DIN NO: 00064774
DATE: 28th August, 2020
PLACE: DOMBIVLI**

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, 2020, 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), 7(3), 27(2) along with delay in payment of penalty for non-compliance of Regulation 6 (1) for the quarter ended 31.03.2019 for which the entire Promoter and Promoter group holding was freezed by the Depositories for part the Financial Year 2019-2020.

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.

Place:Mumbai.

Date: 28.08.2020

ICSI UDIN: F002827B000622666

**For HS Associates
Company Secretaries**

Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SUNIL INDUSTRIES LIMITED having CIN L99999MH1976PLC019331 and having registered office at D 8 MIDC PHASE II, MANPADA ROAD DOMBIVLI (EAST) THANE MH 421201 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	VINOD GAJANAND LATH	00064774	02/07/1979
2.	PRADEEP ROONGTA CHATRUPRASAD	00130283	01/11/1999
3.	RAMESH CHAMANLAL KHANNA	00130351	01/09/2001
4.	RAJESH SITARAM TIBREWAL	00130509	22/08/2017
5.	ROHIT GADIA	02175342	15/03/2012
6.	SHRUTI RITESH SARAF	07521927	27/05/2016

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai.

Date: 28.08.2020

ICSI UDIN: F002827B000622677

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Industry Structure and developments:

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry. The organized textile industry is characterized by the use of capital-intensive technology for mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing. The domestic textiles and apparel industry stood at \$140 bn in 2019 (including handicrafts) of which \$100 bn was domestically consumed while the remaining portion worth \$40 bn was exported to the world market.

Further, the domestic consumption of \$100 bn was divided into apparel at \$74 bn, technical textiles at \$19 bn and home furnishings at \$7 bn. While exports comprised of textile exports at \$20.5 bn apparel exports at \$16.1 bn and handlooms at \$3.8 bn.

B) Opportunities, Outlook & Threats:

Outlook

The demand of textile value chain, including yarn, fabric and apparels is likely to contract by 25-35 per cent in the financial year 2021 due to ongoing economic slowdown following lockdown to curb the spread of the Covid-19 pandemic. The demand of yarn, fabric and apparels is set to remain muted throughout first half of the financial year 2020-21. The FY21 demand growth would typically depend on discretionary spending, and thus a gradual recovery in household income over the second half of the current financial year between October 2020 and March 2021.

Opportunities

Countries building back after COVID-19 should not ignore the textile and apparel industry; it is considered a starter sector in the road to industrialization. When the industry expands, it provides a base on which to build capital for more technologically demanding industries. In fact, the textiles and apparel sector can be critical to the growth and development strategies of many developing countries. The global textiles and apparel industry market had a retail market value of \$1.9 trillion in 2019 and is projected reach \$3.3 trillion by 2030, growing at a compound annual growth rate of 3.5%. Projections ahead of COVID-19 forecasted that population growth, rising levels of disposable income and rapid urbanization in developing countries would likely drive demand in the future.

Threats

The textile industry is labour intensive in nature, and with most labourers headed to their hometowns, sector companies could face challenges to operate even at low capacities. The labour issue is expected to normalise in three-four months. Meanwhile, readymade garments / apparels and cotton yarn exports, which were already facing headwinds prior to the lockdown, is likely to be more impacted than other segments, led by the fragmented nature of industry and a slowdown in Chinese yarn demand. The situation has worsened in the lockdown with consumers delaying discretionary consumption. Key issues such as supply chain disruptions, incentives and labour unavailability need to be addressed to revive the textile sector. Labour retention policies of each state would be critical to ensure minimum disruption of manpower availability.

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, 2020, your Company reported total Income of Rs. 915,900,633/- which in comparison to previous year's figures have decreased by approximately 15.57 %, this is due to Textile Industry experiencing a downfall. The Net Profit after tax and OCI is isRs. 6,912,477/- as compared to 10,885,105/- in previous year marking a reduction of approximately 36.50 % but the overall profit carried forward to the Balance Sheet is Rs. 129,897,263/- which has increased by 5.62% as compared to previous year's figure.

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, 2020	913,904,315	293,853,903	3.11
For FY ended 31st March, 2019	1,082,429,835	272,373,284	3.97

Note :

The Decline in Percentage is due to recover of outstanding receivables for sales made in FY 2018-19 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, 2020	199,884,042	731,913,739	99.68
For FY ended 31st March, 2019	165,968,547	974,953,736	62.13

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, 2020	31,826,412	21,318,390	1.49
For FY ended 31st March, 2019	42,801,306	29,477,930	1.45

Note :

Increase in EBIT is due to reduced interest rates on borrowings.

(iv) Current Ratio

Current Assets/Current Liabilities	Current Assets	Current Liabilities	Ratio
For FY ended 31st March, 2020	616,461,915	394,331,937	1.56
For FY ended 31st March, 2019	612,076,756	394,977,046	1.55

Note :

There is a marginal difference in current FY.

(v) Debt Equity Ratio

Total Liabilities/Total Shareholder Equity	Total Liabilities	Total Shareholder Equity	Ratio
For FY ended 31st March, 2020	436,288,328	362,019,185	1.21
For FY ended 31st March, 2019	431,030,387	355,106,709	1.21

Note :

There is a no change in current FY.

(vi) Operating Profit Margin (%)

Operating Earnings/Revenue	Operating Earnings	Revenue	Ratio
For FY ended 31st March, 2020	181,990,575	913,904,315	0.20
For FY ended 31st March, 2019	107,476,100	1,082,429,835	0.10

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, 2020	10,508,022	915,900,633	0.01
For FY ended 31st March, 2019	13,323,376	1,084,809,802	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) 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, 2020	6,912,477	4,200,000	1.65
For FY ended 31st March, 2019	10,885,105	4,200,000	2.59

Note :

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

Accounting Treatment:

The Company is following India accounting standards (IND – AS) for Financial year 2019-20 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.

Impact of Covid 19 Pandemic on the Company

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company from the last fortnight of March, 2020, by way of Interruption in production, supply chain disruption, etc. till the lockdown period. March to June is usually considered to be the peak period of sales for the Company's business. Partial resumption of production and dispatch has commenced from the second half of May, 2020. The Company has made a detailed assessment of the recoverability of the Company's assets such as Inventory, Receivables, Investments, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined that none of these balances require material adjustments to their carrying value. However, the impact of pandemic might vary from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions. The Company has not availed any moratorium in respect of term loans (Interest & Installments) and Interest on cash credit accounts and repayment of all term loans are done as per schedule. The company believes in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future. The Company has Disclosed the Impact of Covid 19 Pandemic as per the format prescribed by SEBI to the Stock Exchange (BSE Limited) under regulation 30 of SEBI LODR Regulations, 2015.

ON BEHALF OF THE BOARD

FOR SUNIL INDUSTRIES LIMITED

SD/-

VINOD LATH

MANAGING DIRECTOR & CHAIRMAN

DATE: 28th AUGUST, 2020

DIN NO: 00064774

PLACE: DOMBIVLI

P R AGARWAL & AWASHTI
CHARTERED ACCOUNTANTS

REGD OFFICE: 42, Gopal Bhavan, 199, Princess Street, Mumbai – 400 002.
Phone: 022 22093908 Fax: 022 22089133 Email: info@pawanca.com

INDEPENDENT AUDITOR'S REPORT

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 31st March 2020, 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 31st March 2020, 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. There 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.

e. On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 31st March 2020 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 30th July, 2020 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:
- i. The Company has disclosed the impact of pending litigations on its financial positions in its standalone Ind AS financial statements (Refer Note : 35);
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. 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: 30.07.2020
UDIN: 20034147AAAABX2171

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

- 1 In respect of Fixed Assets:
 - a) The Company has maintained proper records showing full quantitative details and situation of its fixed assets.
 - b) 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.
- 2 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.
- 3 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.
- 4 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.
- 5 According to the information and explanations given to us, the Company has not accepted any deposits from public.
- 6 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.
- 7 In respect of Statutory Dues:
 - (a) 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.
 - (b) 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 31.03.2020 for a period of more than six months from the date they became payable.
 - (c) The following dues have not been deposited by the company on account of disputes:

Sr no.	Name of the statue	Amount (Rs. in Lacs)	Forum where dispute is pending
I	Central Excise duty (Payment made under protest Rs. 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)

8. 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.
9. 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.
10. 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: 30.07.2020

UDIN: 20034147AAAABX2171

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 31st March, 2020, 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 31st March, 2020, 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: 30.07.2020

UDIN: 20034147AAAABX2171

Sunil Industries Limited

Balance Sheet as at 31st March, 2020

CIN : L99999MH1976PLC019331

PARTICULARS	Note No.	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
ASSETS			
Non-current assets			
a) Property, Plant & Equipment	2	158,020,109	147,965,742
b) Other Intangible Assets	2	189,201	276,879
c) Financial Assets			
(i) Non-current Investments	3	234,400	234,400
d) Other Financial Assets	4	5,000,000	5,000,000
e) Other Non current Assets	5	18,401,889	20,583,319
		<u>181,845,599</u>	<u>174,060,341</u>
Current assets			
a) Inventories	6	197,812,072	201,956,013
b) Financial Assets			
(i) Trade receivables	7	324,331,671	263,376,137
(ii) Cash and cash equivalents	8	4,861,227	78,581,355
c) Current Tax Assets	9	2,707,478	2,679,740
d) Other current assets	10	86,749,467	65,483,510
		<u>616,461,915</u>	<u>612,076,756</u>
TOTAL		<u>798,307,515</u>	<u>786,137,096</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	11	41,984,000	41,984,000
b) Other Equity	12	320,035,186	313,122,709
		<u>362,019,186</u>	<u>355,106,709</u>
LIABILITIES			
1) Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	13	31,841,308	26,030,380
b) Deferred tax liabilities (Net)	14	10,115,083	9,914,500
c) Provisions	15	-	108,461
		<u>41,956,391</u>	<u>36,053,341</u>
2) Current liabilities			
a) Financial Liabilities			
(i) Borrowings	16	243,313,516	280,709,246
(ii) Trade payables	17	111,602,914	63,809,856
b) Other Financial liabilities	18	19,543,679	16,582,853
c) Current Tax liabilities	19	2,650,262	3,668,653
d) Other Current liabilities	20	17,221,567	30,045,107
e) Provisions	21	-	161,332
		<u>394,331,938</u>	<u>394,977,046</u>
TOTAL		<u>798,307,515</u>	<u>786,137,096</u>

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

1

As per our report of even date
For **P.R. Agarwal & Awasthi**
Chartered Accountants
Firm Reg No.:117940W

C.A. Pawan KR. Agarwal
Partner
Membership Number- 34147

Place : Mumbai
Date : 30.07.2020

For and on behalf of Board of Directors
Sunil Industries Limited

Vinod Lath
(Chairman & Managing Director)
(DIN:64774)

Pradeep Roongta
(CFO & WTD)
(DIN:130283)

Ms. Saurabh Sahu
Company Secretary
ACS: 55322

Sunil Industries Limited

Statement of Profit and Loss for the year ended 31st March, 2020

CIN : L99999MH1976PLC019331

PARTICULARS	Note No.	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
INCOME :			
Revenue from Operations	22	913,904,315	1,082,429,835
Other income	23	1,996,318	2,379,967
Total Revenue		915,900,633	1,084,809,802
EXPENDITURE :			
Cost of materials consumed	24	479,662,680	793,899,290
Purchases of Stock in trade		152,807,065	30,998,881
Changes in inventories of finished goods, work-in-progress and waste	25	(16,079,121)	5,529,603
Employee benefits expenses	26	21,813,734	19,299,345
Finance costs	27	21,318,391	29,477,930
Depreciation and amortization expenses		14,593,351	14,364,274
Other expenses	28	231,112,040	178,088,244
Total Expenditures		905,228,140	1,071,657,568
Profit before extraordinary items and tax		10,672,493	13,152,234
Extraordinary Items :			
Prior year adjustments		-	-
Profit before tax		10,672,493	13,152,234
(Add)/Less :-			
Tax expenses :			
Current tax expense for current year		3,225,000	4,496,000
Current tax expense relating to prior years		169,962	659,479
Net current tax expense		3,394,962	5,155,479
Deferred tax		200,583	(2,717,209)
Profit for the year		7,076,948	10,713,963
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit obligations		(164,471)	171,142
Tax Effect on above			
Total Other Comprehensive Income		6,912,477	10,885,105
Earnings per equity share: Basic & Diluted (in Rs.)		1.65	2.59

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

As per our report of even date
For **P.R. Agarwal & Awasthi**
Chartered Accountants
Firm Reg No.:117940W

C.A. Pawan KR. Agarwal
Partner
Membership Number- 34147

Place : Mumbai
Date : 30.07.2020

For and on behalf of Board of Directors
Sunil Industries Limited

Vinod Lath
(Chairman & Managing Director)
(DIN:64774)

Pradeep Roongta
(CFO & WTD)
(DIN:130283)

Ms. Saurabh Sahu
Company Secretary
ACS: 55322

Sunil Industries Limited

Cash Flow Statement For the year ended 31st March, 2020
CIN : L99999MH1976PLC019331

PARTICULARS	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and after Extraordinary items	10,672,493	13,152,234
Adjustment For :		
Depreciation	14,593,351	14,364,274
Interest & Finance charges	21,318,391	29,477,930
Interest received	(1,695,288)	(2,115,475)
Dividend received	-	-
Profit (-) / Loss (+) on sale of Assets	71,391	(260,000)
Operative Profit before Working Capital Changes	44,960,337	54,618,963
Adjustment For :		
Increase/ (Decrease) in Trade Payables	47,793,058	(10,096,919)
Increase/ (Decrease) in Other than Trade Payables	2,960,826	144,937
Increase/ (Decrease) in Other Current Liabilities	(12,823,540)	(3,195,282)
Increase / (Decrease) in Short term provision	(325,803)	166,960
Increase/ (Decrease) in Long Term Provision	(108,461)	(58,319)
Increase/ (Decrease) in Trade Receivable	(60,955,534)	17,994,295
Increase/ (Decrease) in Inventories	4,143,941	(71,974,932)
Increase / (Decrease) in Other Non Current Assets	2,181,430	(2,493,227)
Increase / (Decrease) in Other Current Assets	(21,265,957)	(19,745,961)
Cash Generation from Operations	6,560,297	(34,639,487)
Direct Taxes	(4,441,091)	(938,689)
Net Cash Flow from operating activities	2,119,207	(35,578,176)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Fixed Assets (net)	(24,631,431)	156,770
Sale / (Purchase) of Investment (net)	-	(2,308)
Proceeds from/ (Investment in) fixed deposits (net)	26,832,176	(12,929,129)
Dividend received	-	-
Interest Received	1,695,288	2,115,475
Net Cash used in investing activities	3,896,034	(10,659,192)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/ (Repayment of) Non-Current Borrowings (net)	(31,584,802)	115,426,088
Interest paid	(21,318,391)	(29,477,930)
Net Cash used in financing activities	(52,903,193)	85,948,158
D. Net Change In Cash And Cash Equivalents (A+B+C)	(46,887,952)	39,710,788
Cash and Cash Equivalents (Opening)	50,751,085	11,040,297
Cash and Cash Equivalents (Closing)	3,863,133	50,751,085

Notes : 1. Figures in brackets represent cash outflows.

2. Previous year figures have been regrouped wherever necessary.

As per our report of even date
For **P.R. Agarwal & Awasthi**
Chartered Accountants
Firm Reg No.:117940W

C.A. Pawan KR. Agarwal
Partner
Membership Number- 34147

Place :Mumbai
Date: 30.07.2020

For and on behalf of Board of Directors
Sunil Industries Limited

Vinod Lath
(Chairman & Managing Director)
(DIN:64774)

Pradeep Roongta
(CFO & WTD)
(DIN:130283)

Ms. Saurabh Sahu
Company Secretary
ACS: 55322

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

	Land	Leasehold Lands	Factory Building	Bhimwadi Godown	Office Premises	Residential Premises	Bore Well	Building	Lab Equipments	Office Equipments	Plant & Machinery	Tube Well	Electrical Equipments	Computers	Furniture & Fixtures	Vehicles	TOTAL	Share	
Gross carrying amount																			
Balance as at 1 April 2019	4,290,322	379,087	40,794,441	198,920	830,050	66,036,750	56,040	10,055,495	1,857,095	1,921,193	130,854,881	106,833	3,427,507	4,517,249	5,322,607	8,352,794	279,001,254	290,688	
Additions	-	-	-	-	-	-	20,000	3,736,834	-	-	20,826,539	-	-	119,705	-	-	24,703,078	-	
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-	-	-	-	-	1,492,940	-	-	-	-	-	983,991	-	-
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	4,290,322	379,087	40,794,441	198,920	830,050	66,036,750	76,040	13,792,329	1,857,095	1,921,193	150,248,479	106,833	3,427,507	4,636,954	5,322,607	7,306,793	301,267,401	290,688	
Depreciation and impairment																			
Balance as at 1 April 2019	-	49,777	27,455,381	153,878	356,585	5,553,909	51,440	2,794,698	1,851,655	1,786,902	73,352,051	106,833	3,256,130	4,275,983	4,848,587	5,261,552	131,025,581	13,809	
Disposal	-	-	-	-	-	-	-	-	-	-	1,361,293	-	-	-	-	932,600	223,803	-	
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	3,829	1,289,962	5,014	13,090	1,045,473	5,016	316,305	-	11,240	11,064,331	-	-	87,244	-	597,006	14,565,673	8,678	
Balance as at 31 March 2020	-	53,606	28,745,343	158,892	369,675	6,399,382	56,456	3,111,003	1,851,655	1,798,142	83,055,089	106,833	3,256,130	4,463,227	4,915,750	4,945,958	145,267,161	101,487	
Carrying amount as at 31 March 2020	4,290,322	325,481	12,049,098	40,028	460,375	59,637,368	19,584	10,681,326	5,440	123,051	67,213,390	0	171,377	173,727	406,858	2,422,835	156,000,199	189,201	

	Land	Factory Building	Bhimwadi Godown	Office Premises	Residential Premises	Bore Well	Building	Lab Equipments	Office Equipments	Plant & Machinery	Tube Well	Electrical Equipments	Computers	Furniture & Fixtures	Vehicles	TOTAL	Share		
Gross carrying amount																			
Balance as at 1 April 2018	4,290,322	379,087	40,794,441	198,920	830,050	66,036,750	56,040	10,055,495	1,883,577	13,354,881	106,833	3,427,507	4,426,675	5,322,607	8,352,794	279,373,024	290,688		
Additions	-	-	-	-	-	-	-	-	37,656	10,891,488	-	-	90,574	-	-	128,230	-		
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	4,290,322	379,087	40,794,441	198,920	830,050	66,036,750	56,040	10,055,495	1,857,095	14,354,881	106,833	3,427,507	4,517,249	5,322,607	8,352,794	279,001,254	290,688		
Depreciation and impairment																			
Balance as at 1 April 2018	-	45,948	26,165,419	148,864	343,495	4,308,436	40,812	2,478,393	1,851,655	1,781,723	62,915,563	106,833	3,256,130	4,314,741	4,775,372	4,671,326	117,150,710	9,206	
Net exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	3,829	1,289,962	5,014	13,090	1,045,473	10,648	316,305	-	5,179	10,891,488	-	6,124	73,215	644,226	14,359,671	4,603		
Balance as at 31 March 2019	-	49,777	27,455,381	153,878	356,585	5,553,909	51,460	2,794,698	1,851,655	1,786,902	73,352,051	106,833	3,256,130	4,275,983	4,848,587	5,261,552	131,025,581	13,809	
Carrying amount as at 31 March 2019	4,290,322	329,310	13,339,060	45,042	473,465	60,682,841	4,580	7,260,797	5,440	134,291	57,522,830	0	171,377	141,266	474,021	3,901,232	147,965,742	276,879	

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020

CIN : L99999MH1976PLC019331

PARTICULARS	31st March, 2020	31st March, 2019
Note - 3 : Non-current investments		
<u>Unquoted Equity Instruments :</u>		
<u>Investments carried at fair value through profit or loss</u>		
33,141 (P.Y. 32,541) Equity Shares of Fairdeal Supplies Limited of Rs.10 each fully paid up	233,400	233,400
100 (P.Y. 100) Equity Shares of Sunil Fabrics Private Limited of Rs.10 each fully paid up	1,000	1,000
Total	234,400	234,400
Aggregate amount of quoted investments -At Cost	-	-
Aggregate amount of quoted investments -At Market Value	-	-
Aggregate amount of unquoted investments -At Cost	234,400	234,400
Aggregate amount of unquoted investments -At Market Value	-	-
Note - 4 : Other Financial Assets		
Bank Deposits having maturity more than 12 Months*	5,000,000	5,000,000
Total	5,000,000	5,000,000
*Mark as Lein against Bank Gurantee		
Note - 5 : Other Non current Assets		
Unsecured, Considered Good		
Capital Advances	-	1,500,000
Advances Other than Capital Advances		
a. Security deposits	8,404,489	9,572,319
b. Others	9,997,400	9,511,000
Total	18,401,889	20,583,319

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020

CIN : L99999MH1976PLC019331

PARTICULARS	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
Note - 6 : Inventories		
(As Certified by management)		
Raw materials	76,925,821	97,749,657
Work-in-progress	1,029,670	1,425,454
Finished goods (other than those acquired for trading)	103,469,811	86,933,265
Stores, spares and others	14,789,240	14,529,209
Packing Materials	1,043,021	916,239
Fuel, Oil & Gases	386,460	301,460
Waste (Valued at net realisable value)	168,048	100,729
Total	197,812,072	201,956,013

Method of Valuation of Stock :

a) Stock of Raw Material & Packing material is valued at lower of Cost determined on FIFO basis or net realisable value

b) Stores & spares and Fuel ,oil & Gases are valued at lower of Cost or net realisable value.

c) Work -in Progress and Finished Goods are valued at cost or net realizable value whichever is lower.

The cost includes manufacturing expenses and appropriate overheads.

Note - 7 : Trade Receivables

Unsecured, Considered Good		
Others	324,331,671	263,376,137
Total	324,331,671	263,376,137

Note - 8 : Cash and cash equivalents

i) Balances with banks

In current accounts	2,430,134	50,278,586
In deposit accounts with maturity of less than 3 months*	-	-
Cash on hand	1,432,999	472,499
	3,863,133	50,751,085

ii) Other Bank Balances

Fixed Deposits with maturity period of more than 3 months but less than 12 months*	998,094	27,830,270
Total	4,861,227	78,581,355

*Mark as Lein against Bank Gurantee

Note - 9 : Current Tax Assets

Balance with income tax authorities(Net)	2,707,478	2,679,740
	2,707,478	2,679,740

Note - 10 : Other current assets

Unsecured, considered good		
Advances other than Capital Advances	43,794,180	30,495,179
Interest Accrued	1,058,046	1,160,692
Tender Deposits (EMD)	7,130,244	5,792,660
Balance with Government authorities - Other than Income Tax Authorities	33,654,638	26,981,636
Prepaid Insurance	1,004,392	1,053,343
Gratuity	107,968	-
Total	86,749,467	65,483,510

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020

CIN : L99999MH1976PLC019331

Note : 11 Share Capital

A Particulars	31st March, 2020		31st March, 2019	
	Numbers	Rs.	Numbers	Rs.
Authorised Equity Shares of Rs.10 each	5,000,000	50,000,000	5,000,000	50,000,000
	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed & fully Paid up Equity Shares of Rs.10 each Less : Calls in Arrears	4,200,000	42,000,000 16,000	4,200,000	42,000,000 16,000
Total	4,200,000	41,984,000	4,200,000	41,984,000

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

Particulars	31st March, 2020		31st March, 2019	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the year	4,200,000	41,984,000	4,200,000	41,984,000
Shares Issued during the year	-	-	-	-
At the end of the year	4,200,000	41,984,000	4,200,000	41,984,000

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

Particulars	31st March, 2020		31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sunil Exim Pvt Ltd	344,900	8.21	344,900	8.21
Saroj Vinod Lath	335,200	7.98	335,200	7.98
Rajshree Fiscal Services Ltd	317,500	7.56	317,500	7.56
Vinod Gajanand Lath	322,200	7.67	322,200	7.67
Laxmikant Vinod Lath	235,600	5.61	235,600	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)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020

CIN : L99999MH1976PLC019331

Statement of Changes in Equity -

A. Equity share capital

	Notes	Number	INR
Balance as at 1 April 2018		4,200,000	41,984,000
Changes in equity share capital during the year 2018-19		-	-
Balance as at 31 March 2019		4,200,000	41,984,000
Balance as at 1 April 2019	11	4,200,000	41,984,000
Changes in equity share capital during the year 2019-20		-	-
Balance as at 31 March 2020		4,200,000	41,984,000

B. Other equity

	Notes	Reserves and surplus			Total other Equity
		General Reserves	Securities premium	Retained earnings	
Balance as at 1 April 2018		140,857,634	49,280,289	112,099,681	302,237,604
Dividends		-	-	-	-
Issue of share capital on exercise of employee share opti		-	-	-	-
Profit for the year		-	-	10,713,963	10,713,963
Other comprehensive income		-	-	171,142	171,142
Balance as at 31 March 2019		140,857,634	49,280,289	122,984,786	313,122,709
Balance as at 1 April 2019	12	140,857,634	49,280,289	122,984,786	313,122,709
Dividends		-	-	-	-
Issue of share capital on exercise of employee share option		-	-	-	-
Profit for the year		-	-	7,076,948	7,076,948
Other comprehensive income		-	-	(164,471)	(164,471)
Balance as at 31 March 2020		140,857,634	49,280,289	129,897,263	320,035,186

Accompanying notes are forming part of financial statements

As per our report of even date
For P.R. Agarwal & Awasthi
Chartered Accountants
 Firm Reg No.:117940W

C.A. Pawan KR. Agarwal
 Partner
 Membership Number- 34147

Date: 30.07.2020
 Place : Mumbai

For and on behalf of Board of Directors
Sunil Industries Limited

Vinod Lath
 (Chairman & Managing Director)
 (DIN:64774)

Pradeep Roongta
 (CFO & WTD)
 (DIN:130283)

Ms. Saurabh Sahu
 Company Secretary
 ACS: 55322

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020
CIN : L99999MH1976PLC019331

PARTICULARS	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
Note - 12 : Other Equity		
General Reserves		
Opening Balance	140,857,634	140,857,634
(+)/(-) Transfer	-	-
Closing Balance	<u>140,857,634</u>	<u>140,857,634</u>
Securities Premium Account		
Opening Balance	49,280,289	49,280,289
(+)/(-) Transfer	-	-
Closing Balance	<u>49,280,289</u>	<u>49,280,289</u>
Surplus		
Opening balance	122,984,786	112,099,681
(+) Net Profit / (Net Loss) for the current year	<u>6,912,477</u>	<u>10,885,105</u>
Closing Balance	<u>129,897,263</u>	<u>122,984,786</u>
Total	<u>320,035,186</u>	<u>313,122,709</u>

Note - 13 : Borrowings

Secured Loan

Term Loans :-

From Banks	31,841,308	26,030,380
From Other	-	-
Total	<u>31,841,308</u>	<u>26,030,380</u>

Notes:

I) Nature of Security :

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

1. 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.
2. 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.

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020

CIN : L99999MH1976PLC019331

PARTICULARS	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
Note - 14 : Deferred tax liability (Net)		
Deferred tax liability		
Net Block as per Companies Act	153,539,901	143,573,213
Net Block as per Income Tax Act	117,072,369	107,256,889
Difference	<u>36,467,533</u>	<u>36,316,324</u>
Deferred tax liability (A)	<u>10,145,268</u>	<u>10,103,201</u>
Deferred tax assets		
Expenditure to be disallowed u/s 43B -		
Bonus	108,500	408,500
Gratuity	-	269,793
	<u>108,500</u>	<u>678,293</u>
Deferred tax assets (B)	<u>30,185</u>	<u>188,701</u>
Net Deferred Tax Liability (Closing)	10,115,083	9,914,500
Less : Net Deferred Tax Liability (Opening)	9,914,500	12,631,709
Net Deferred Tax Liability to be recognized in Profit & Loss Account.	<u>200,583</u>	<u>(2,717,209)</u>
Note - 15 : Provisions		
Provision for employee benefits :		
Gratuity	-	108,461
Total	<u>-</u>	<u>108,461</u>
Note - 16 : Borrowings		
<u>Loans Repayable on Demand :</u>		
Secured Loan		
From Banks*	103,226,311	121,236,244
Unsecured Loans From		
Related Party	20,935,802	35,668,836
Inter Corporate Deposit	119,151,403	123,804,166
Total	<u>243,313,516</u>	<u>280,709,246</u>
*[Refer Note 13.I(1) for security]		
Note - 17 : Trade payables		
Due to Micro, Small & Medium Enterprises	67,885	19,824
Due to Others	111,535,029	63,790,032
Total	<u>111,602,914</u>	<u>63,809,856</u>
Note: Disclosure for micro and small enterprises:		
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, 2020. This has been relied upon by the auditors.		
Note - 18 : Other Financial Liabilities		
Current maturities of Term Loan*	9,915,154	5,971,987
Interest accrued but not Due	145,477	106,428
Interest accrued and Due	9,483,048	10,504,438
Total	<u>19,543,679</u>	<u>16,582,853</u>
*[Refer Note 13.I(1) for security]		
Note - 19 : Current Tax Liabilities		
Income Tax(net)	2,650,262	3,668,653
Total	<u>2,650,262</u>	<u>3,668,653</u>
Note - 20 : Other Current Liabilities		
Statutory dues	1,954,064	2,677,313
Other Liabilities	11,635,157	23,334,388
Outstanding expenses	3,632,346	4,033,405
Total	<u>17,221,567</u>	<u>30,045,107</u>
Note - 21 : Provisions		
Provision for employee benefits :		
Gratuity	-	161,332
Total	<u>-</u>	<u>161,332</u>

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020
CIN : L99999MH1976PLC019331

PARTICULARS	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
Note - 22 : Revenue from operations		
Revenue from operations		
Sale of products :		
Sale of products	892,031,844	1,049,696,312
Sale of service :		
Processing Charges	21,872,471	32,733,523
Total	913,904,315	1,082,429,835
Detail of Sales		
Sale of products comprises:		
Cloth	665,733,500	956,115,217
Made-Ups	5,633,632	29,763,209
Yarn	3,383,148	13,610,081
Cotton Sales	1,866,811	1,059,628
Waste	1,327,251	592,649
Others	2,537,392	197,750
Sale of Traded Goods Comprises:		
Sanitary Napkins	211,550,110	48,357,778
Sale of service :		
Processing Charges	21,872,471	32,733,523
Total	913,904,315	1,082,429,835
Note - 23 : Other income		
Interest income	1,695,288	2,115,475
Profit on sale of fixed Asset	-	260,000
Miscellaneous	301,029	4,491
Total	1,996,318	2,379,967
Note - 24 : Cost of materials consumed		
Raw Material Consumed		
Opening Stock	97,749,657	23,232,946
Add: Purchases	458,838,845	868,416,001
	556,588,501	891,648,947
Less: Closing stock	76,925,821	97,749,657
Total Consumption	479,662,680	793,899,290
Raw Material Comprises of:		
(A) Yarn	79,826,119	58,154,732
(B) Cloth	309,291,305	732,411,510
(C) Fibre	69,391,618	77,849,760
	458,509,042	868,416,001
Note 25 Changes in inventories of finished goods, work-in-progress and waste		
Inventories at the end of the year:		
Finished goods	103,469,811	86,933,265
Work-in-progress	1,029,670	1,425,454
Waste	265,027	100,729
	104,764,507	88,459,448
Inventories at the beginning of the year:		
Finished goods	86,933,265	55,631,550
Work-in-progress	1,425,454	38,221,839
Waste	326,667	135,662
	88,685,386	93,989,051
Net (increase) / decrease	-16,079,121	5,529,603

Sunil Industries Limited

Notes to financial statements for the year ended 31st March, 2020

CIN : L99999MH1976PLC019331

PARTICULARS	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
Note - 26 : Employee benefit expenses		
Salaries & wages	17,981,974	16,751,918
Contributions to provident and other fund	2,136,134	1,563,225
Staff welfare expenses	1,695,626	984,202
Total	21,813,734	19,299,345
Note - 27 : Finance costs		
Interest Expenses		
(i) on Bank Borrowings	8,496,168	9,305,110
(ii) others-		
- on Others	10,612,435	13,163,341
- on Income Tax	-	-
Other Borrowing Cost		
(i) Bank Charges and Commission	790,287	1,127,479
(ii) Loan Processing Charges	1,419,500	5,882,000
Total	21,318,391	29,477,930
Note - 28 : Other expenses		
MANUFACTURING EXPENSES		
Processing and Labour Charges	55,943,877	50,182,027
Stores, Dyes and Chemicals consumed	58,404,858	42,767,702
Power and Fuel	44,900,758	39,021,429
Water Charges	2,591,003	2,963,089
Testing Charges	2,641,699	1,141,578
Repairs to Building	1,581,627	1,301,978
Repairs to Machinery	2,561,558	2,578,735
Packing Material consumed	2,841,613	4,569,423
ADMINISTRATIVE EXPENSES		
Rent	671,000	757,700
Rates and Taxes	6,338,590	2,804,755
Repairs to Others	1,099,675	1,238,040
Insurance Charges	1,607,005	1,643,896
Travelling and Conveyance	3,263,741	3,380,742
Professional Fees	1,384,407	728,719
Donations	1,162,316	1,372,460
Corporate Social Responsibility	365,900	204,920
Other Expenses	3,827,289	2,606,449
Freight, Octroi and Forwarding Expenses	23,492,101	11,454,560
Auditors's Remuneration	250,000	250,000
Loss on Assets Discarded	71,391	-
SELLING EXPENSES		
Advertisement and Sales Promotion	1,865,682	1,597,597
Brokerage and Commission	14,245,950	5,522,445
Total	231,112,040	178,088,244
Payments to auditor		
For Audit Fee	250,000	250,000
For others	-	-
Total	250,000	250,000
Depreciation & Amortization Expenses		
Depreciation on Tangible Assets	14,505,673	14,359,671
Depreciation on Intangible Assets	87,678	4,603
Total	14,593,351	14,364,274

Sunil Industries Ltd.

Notes to financial statements for the year ended 31st March 2020.

Note 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2020

i. 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.

ii. 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.

iii. 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.

iv. 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.

v. 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. 1st 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:

Leasehold Land	99 years
Factory Building	30 years
Plant & machinery	08 years
Vehicles	10 years
Computer	03 years
Furniture	10 years
Office Equipment	05 years

Depreciation methods, useful lives and residual value are reviewed periodically, including at each financial year end.

“Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work – in - progress’ Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably .Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred .The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

vi. 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.

vii. 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.

viii. 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.

ix. 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.

x. 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.

xi. 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.

xii. 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 charges in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or charges 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.

xiii. 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.

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

xv. 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.

xvi. 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.
- 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.

xvii. 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.

xviii. 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.

xix. 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.

xx. 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.

xxi. Recent accounting pronouncements

Ind AS 116:

On 30th 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 1st 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 recognize 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 has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

xxii. 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 Note 2
- (ii) Probable outcome of matters included under Contingent Liabilities - Refer Note 35
- (iii) Estimation of Defined benefit obligation - Refer Note 29

Note 29: As per Ind AS 19 "Employee Benefits", the disclosure of Employee benefits as defined in the Indian Accounting Standard are given below:

Defined Benefit Plan:

Gratuity

(Amount in Rs.)

Sr. No.	Particulars	As on	As on
		31.03.2020	31.03.2019
1	Assumption		
	Discount Rate	6.80%	7.45%
	Salary Escalation	7.00%	7.00%
2	Present value of Obligation		
	Present value of obligations as at beginning of year	36,21,991	34,95,941
	Interest cost	1,61,332	2,58,319
	Current Service Cost	2,64,036	1,65,514

	Liability Transferred In		-
	Benefits Paid	(1,04,363)	(1,30,892)
	Prior Year Charge		-
	Actuarial (gain)/ loss on obligations	1,69,533	(1,66,891)
	Present value of obligations as at end of year	41,12,529	36,21,991
3	Fair value of plan assets		
	Fair value of plan assets at beginning of year	33,52,198	31,63,647
	Expected return on plan assets	2,55,008	2,43,730
	Contributions	7,17,654	75,713
	Assets Transferred In		
	Benefits Paid	(1,04,363)	(1,30,892)
	Actuarial (gain)/ loss on obligations		-
	Fair value of plan assets at the end of year	42,20,497	33,52,198

4	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	1,69,533	(1,66,891)
	Actuarial (gain)/ loss for the year - plan assets	-	-
	Actuarial (gain)/ loss on obligations	1,69,533	(1,66,891)
	Actuarial (gain)/ loss recognized in the year	1,69,533	(1,66,891)

5	The amounts to be recognized in the balance sheet		
	Present value of obligations as at the end of year	41,12,529	36,21,991
	Fair value of plan assets as at the end of the year	(42,20,497)	(33,52,198)
	Funded status	(1,07,968)	2,69,793
6	Expenses Recognized in statement of Profit and loss		
	Current Service cost	1,61,332	1,65,514
	Interest Cost	14,090	18,840
	Past Service Cost	-	-
	Expenses to be recognized in statement of Profit and loss	1,75,422	1,84,354
7	In Other Comprehensive Income		
	Actuarial (Gain)/Loss		
	Due to Change in financial assumptions	2,34,507	32,753
	Due to Change in demographic assumption	(4,748)	-
	Due to Change in experience adjustments	(60,226)	(1,99,644)
	Return on Plan Assets	(5,062)	(4,251)
	Net(Income)/Expense for the period Recognised in OCI	1,64,471	(1,71,142)

Note 30: Related Party Disclosure

Details of related parties:

A) Related party and their relationships :

i) Enterprises controlled by Director and Relatives:

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

ii) Key Managerial 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. PrateekRoongta- Son of Mr. Pradeep Roongta
Mrs. Saroj Lath – Wife of Mr.Vinod Lath
Mrs. BeenaRoongta – Wife of Mr. Pradeep Roongta
Mrs. Vandana Lath – Daughter in Law of Mr. Vinod Lath

Non-Executive Directors
Mr. RohitGadia- Non-Executive Director
Mrs. ShrutiSaraf- Non-Executive Director
Mr.RajeshTibrewal- Non-Executive Director
Ms. Swati Baugh - Company Secretary (up to 14.02.2020)
Mr. SourabhSahu- Company Secretary (From 12.03.20)
Note: Related parties have been identified by the Management.

Transactions with related parties Rs.)

(Amount in

Transaction with Related Parties	For the year ended	
	March 31, 2020	March 31, 2019
Cloth Purchases		-
Interest Paid	9,74,727	16,92,483
Weaving Charges	36,96,756	37,49,872
Loans Taken(Net)	(1,62,56,269)	3,56,68,836
Rent paid	6,05,000	6,05,000
Transaction with Key Management Person		
Remuneration to Directors	34,64,280	35,28,137
Remuneration to Company Secretary	35,865	57,177
Transactions with Relatives of KMP		
Salary Paid	14,40,000	14,40,000

(Amt. in Rs.)			
		For the year ended	
		March 31, 2020	March 31, 2019
Note 31	C.I.F. Value of Imports:		
	a) Stores & Spares	NIL	NIL
	b) Capital Goods	NIL	NIL
	c) Cloth Purchase	NIL	NIL

(Amt. in Rs.)			
		For the year ended	
		March 31, 2020	March 31, 2019
Note 32	Expenditure in Foreign Currency:	NIL	NIL

(Amt. In Rs.)			
		For the year ended	
		March 31, 2020	March 31, 2019
Note 33	Earnings in Foreign Currency:	NIL	NIL

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

(Amt. In Rs.)			
		For the year ended	
		March 31, 2020	March 31, 2019
	Particulars		
a)	Indigenous	5,84,04,858	4,27,67,702
b)	Imported	NIL	NIL

(Amt. In Rs.)				
No te: 35		CONTINGENT LIABILITIES NOT PROVIDED FOR: Particulars	As at	
			March 31, 2020	March 31, 2019
	a	Bank Guarantee	3,65,45,023	5,42,52,776
	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 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**(Amt. In Rs.)**

	Particulars	For the year ended	
		March 31, 2020	March 31, 2019
i)	Estimated amount of Capital Contracts (net of advances)	75,00,000	2,35,00,000

Note: 37 - Earning Per Share**(Amt. In Rs.)**

	Particulars	As at	
		March 31, 2020	March 31, 2019
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
	EPS		
a)	Net Profit/ (Loss) available for Equity Shareholders	69,12,477	1,08,85,105
b)	Basic Earning Per Share	1.65	2.59
c)	Diluted Earning Per Share	1.65	2.59

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 Assets Pledged as Security**(Amt. In Rs.)**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Asset		
Non- Financial Assets		
Inventories	19,78,12,072	20,19,56,013
Financial Assets		
Trade Receivables	32,43,31,671	26,33,76,137
Cash & Cash Equivalents	38,63,133	5,07,51,085
Other Bank Balance	9,98,094	2,78,30,270
Current Tax Assets	27,07,478	26,79,740
Other Current Assets	8,56,37,108	6,44,30,167
Total Current Assets Pledged as Security	61,53,49,556	61,10,23,412
Non-Current Assets		
Non- Financial Assets		
Leasehold Land	1,21,957	1,23,392
Factory Building	81,97,316	92,79,181
Residential Premises	5,96,37,236	6,06,82,842
Furniture	3,44,706	3,95,898
Plant and Equipment	2,52,48,427	80,20,488
Others Tangible Assets	24,30,114	30,53,854

Deposits & Advances	1,84,01,889	2,05,83,319
Financial Assets		
Non-Current Investments	2,34,400	2,34,400
Deposit with Banks with maturity more than 12 months	50,00,000	50,00,000
Total Non-current Assets Pledged as Security	11,96,16,045	10,73,73,374
Total Assets Pledges as Security	73,49,65,601	71,83,96,786

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 counterparty credit risk.

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 manage 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

(Amt. In Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents (Incl. Deposit with banks)	48,61,227	7,85,81,355
Less:		
Non-current borrowings (including current maturities)	4,17,56,462	3,20,02,367
Current Borrowings	24,33,13,516	28,07,09,246
Interest Payable	96,28,525	1,06,10,866
Net Debt	28,98,37,276	24,47,41,124

Note: 44

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company from the last fortnight of March, 2020, by way of interruption in production, supply chain disruption, etc. till the lockdown period. March to June is usually considered to be the peak period of sales for the Company's business. Partial resumption of production and dispatch has commenced from the second half of May, 2020.

The Company has made a detailed assessment of the recoverability of the Company's assets such as Inventory, Receivables, Investments, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined that none of these balances require material

adjustments to their carrying value. However, the impact of pandemic might vary from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions,

The Company has availed moratorium in respect of term loans (interest & installments) and interest on cash credit accounts up to August 31, 2020, and with the support of the lenders, believes in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.

Note: 45

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

As per our report of even date
For P.R. Agarwal & Awasthi
Chartered Accountants
Firm Reg. No. 117940W

For and on behalf of Board of Directors

CA Pawan KR Agarwal
Partner

M. No. 34147
Director)

Vinod Lath
(Chairman &
Officer &
Managing Director)

DIN: 0064774

Pradeep Roongta
(Chief Financial

Whole Time

DIN: 0130283

Place: Mumbai
Date: 30.07.2020

Sourabh Sahu
(Company Secretary)
ACS: 55322