

36th
ANNUAL REPORT
2011-2012

SUNIL INDUSTRIES LIMITED

SUNIL INDUSTRIES LIMITED

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SUNIL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Vinod Lath	: Chairman and Managing Director
Mr. Pradeep Roongta	: Whole-time Director
Mr. Ramesh Khanna	: Whole-time Director
Mr. Ravinder Kumar Gupta	: Independent and Non Executive Director
Mr. Ratan Lath (till 27th January, 2012)	: Independent and Non Executive Director
Mr. Ashish Garg (till 15th March, 2012)	: Independent and Non Executive Director
Mr. Punit Agarwal (from 27th January, 2012 till 15th March, 2012)	: Independent and Non Executive Director
Mr. Rohit Gadia (from 15th March, 2012)	: Independent and Non Executive Director
Mr. Iftadad Hossain (from 15th March, 2012)	: Independent and Non Executive Director

REGISTERED OFFICE

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

MILLS

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

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

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

BANKERS:

- * State Bank of India
- * ICICI Bank
- * Vijaya Bank

AUDITORS

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

SHARE TRANSFER AGENTS

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

SHARES LISTED AT:

The Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

The Ahmedabad Stock Exchange Limited

Kamdhenu Complex, Opp Sahajanand College,
Panjara Pole, Ahmedabad – 380 015

Delhi Stock Exchange Limited

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

The Calcutta Stock Exchange Limited

7, Lyons Range, Kolkatta – 700 001

36th ANNUAL GENERAL MEETING

Date : 29th September, 2012

Day : Saturday

Time : 11.00 a.m.

Place : D-8, MIDC Phase II, Manpada Road, Dombivli (East), Dist – Thane, 421-203

SUNIL INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE **36TH ANNUAL GENERAL MEETING** OF MEMBERS OF THE COMPANY **SUNIL INDUSTRIES LIMITED** WILL BE HELD ON **SATURDAY THE 29TH SEPTEMBER, 2012 AT 11.00 A.M.** AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT D-8, MIDC PHASE II, MANPADA ROAD, DOMBIVLI (EAST), DIST – THANE – 421 203 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended on 31st March, 2012 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Ravinder Kumar Gupta**, Director of the company who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint **M/s V. K. Beswal & Associates**, Chartered Accountants, retiring Auditors as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mr. Rohit Gadia who was appointed as an Additional Director on 15th March, 2012 by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Act proposing his candidature for the office of Director be and is hereby appointed as Director of the Company who is liable to retire by rotation.”

“**RESOLVED FURTHER THAT** any Director of the Company be and is hereby severally authorized to do all such deeds, action and things as may be necessary for giving effect to the above resolution.”

5. **To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mr. Iftadad Hossain who was appointed as an Additional Director on 15th March, 2012 by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Act proposing his candidature for the office of Director be and is hereby appointed as Director of the Company who is liable to retire by rotation.”

“**RESOLVED FURTHER THAT** any Director of the Company be and is hereby severally authorized to do all such deeds, action and things as may be necessary for giving effect to the above resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956 read with Director’s Relatives (Office or Place of Profits) Rules, 2003 and any other applicable provisions, if any (including any statutory modification or amendment thereof), appointment of **Mrs. Rashmi Khanna**, wife of Mr. Ramesh Khanna, Whole – Time Director of the Company, be and is hereby appointed as Sales Manager with effect from 1st April, 2011 on such terms and conditions and at a remuneration not exceeding Rs. 2,50,000/- per month from the financial year 2011-12 for a period of 5 years and on such other terms and conditions as the Board may feel appropriate from time to time.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956 read with Director’s Relatives (Office or Place of Profits) Rules, 2003 and any other applicable provisions, if any (including any statutory modification or amendment thereof), appointment of **Mrs. Beena Roongta**, wife of Mr. Pradeep Roongta, Whole – Time Director of the Company, be and is hereby appointed as Design Consultant with effect from 1st April, 2011 on such terms and conditions and at a remuneration not exceeding Rs. 2,50,000/- per month from the financial year 2011-12 for a period of 5 years and on such other terms and conditions as the Board may feel appropriate from time to time.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956 read with Director’s Relatives (Office or Place of Profits) Rules, 2003 and any other applicable provisions, if any (including any statutory modification or amendment thereof), appointment of **Mr. Prateek Roongta**, son of Mr. Pradeep Roongta, Whole – Time Director of the Company, be and is hereby appointed as Institutional Sales Manager with effect from 1st April, 2012 on such terms and conditions and at a remuneration not exceeding Rs. 2,50,000/- per month from the financial year 2012-13 for a period of 5 years and on such other terms and conditions as the Board may feel appropriate from time to time.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution.”

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

SD/-
VINOD LATH
CHAIRMAN

Date: June 27, 2012

Place: Dombivli

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.**
2. **A proxy Form to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.**
3. **The Register of Members and Share Transfer Register will remain closed from Saturday the 22nd September, 2012 to Saturday the 29th September, 2012 (both days inclusive).**
4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the Meeting.
5. In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agents.
6. Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
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. Members whose shareholding is in the electronic mode are requested to directly change their address and update Savings Bank Account details with their respective Depository Participants.

SUNIL INDUSTRIES LIMITED

Explanatory Statement (As required under section 173 (2) of the Companies Act, 1956.)

Item No. 4

Mr. Rohit Gadia was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 15th March, 2012.

By virtue of provisions of Section 260 of the Companies Act, 1956, he would hold office only up to the date of this Annual General Meeting of the Company. The Company has received notice pursuant to section 257 of the Companies Act, 1956, proposing the candidature of Mr. Rohit Gadia as Director of the Company.

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

None of the Directors except Mr. Rohit Gadia are interested in the above resolution.

Item No. 5

Mr. Iftadad Hossain was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 15th March, 2012.

By virtue of provisions of Section 260 of the Companies Act, 1956, he would hold office only up to the date of this Annual General Meeting of the Company. The Company has received notice pursuant to section 257 of the Companies Act, 1956, proposing the candidature of Mr. Iftadad Hossain as Director of the Company.

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

None of the Directors except Mr. Iftadad Hossain are interested in the above resolution.

Item No. 6

Mrs. Rashmi Khanna is a graduate in Commerce. She has rich experience in Sales and Marketing. Taking into consideration her knowledge and vast experience, Board of Directors appointed her as Sales Manager with effect from 1st April, 2011 for a period of 5 years subject to approval of Shareholders. She would be paid remuneration not exceeding Rs. 2,50,000/- per month which is within the limits as specified under Section 314 of the Companies Act, 1956 (**"the Act"**) read with Director's Relatives (Office or Place of Profits) Rules, 2003, (**"the Rules"**) as amended from time to time.

Mrs. Rashmi Khanna, being wife of Mr. Ramesh Khanna, Whole – Time Director of the Company, her appointment would be further subject to consent of the shareholders as per provisions of "the Act" and "the Rules" aforementioned.

Your Directors recommend this resolution for your approval.

None of the Directors are in any way concerned or interested in the above resolution except Mr. Ramesh Khanna being related to Mrs. Rashmi Khanna as husband.

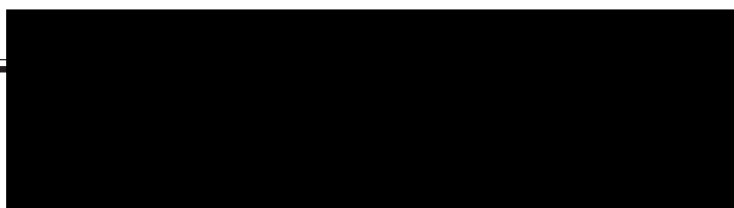
Item No. 7

Mrs. Beena Roongta is a graduate in Arts. Considering the merits, she is appointed as Design Consultant from 1st April, 2011 by Board of Directors of the Company for a period of 5 years subject to approval of Shareholders. She would be paid remuneration not exceeding Rs. 2,50,000/- per month which is within the limits as specified under Section 314 of the Companies Act, 1956 (**"the Act"**) read with Director's Relatives (Office or Place of Profits) Rules, 2003, (**"the Rules"**) as amended from time to time.

Mrs. Beena Roongta, being wife of Mr. Pradeep Roongta, Whole – Time Director of the Company, her appointment would be further subject to consent of the shareholders as per provisions of "the Act" and "the Rules" aforementioned.

Your Directors recommend this resolution for your approval.

None of the Directors are in any way concerned or interested in the above resolution except Mr. Pradeep Roongta being related to Mrs. Beena Roongta as husband.



Item No. 8

Mr. Prateek Roongta holds a graduation degree from Commerce stream. Considering his performance in Institutional Sales, he was appointed as Institutional Sales Manager with effect from 1st April, 2012 by Board of Directors of the Company for a period of 5 years subject to approval of Shareholders. He would be paid remuneration not exceeding Rs. 2,50,000/- per month which is within the limits as specified under Section 314 of the Companies Act, 1956 (**“the Act”**) read with Director’s Relatives (Office or Place of Profits) Rules, 2003, (**“the Rules”**) as amended from time to time.

Mr. Prateek Roongta, being son of Mr. Pradeep Roongta, Whole – Time Director of the Company, his appointment would be further subject to consent of the shareholders as per provisions of “the Act” and “the Rules” aforementioned.

Your Directors recommend this resolution for your approval.

None of the Directors are in any way concerned or interested in the above resolution except Mr. Pradeep Roongta being related to Mrs. Beena Roongta as father.

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

SD/-

VINOD LATH
CHAIRMAN

Date: June 27, 2012
Place: Dombivli

SUNIL INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

To,
The Members,
SUNIL INDUSTRIES LIMITED
Mumbai

Your Directors have great pleasure in presenting **36TH ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account for the year ended on **31st March, 2012**.

1. FINANCIAL RESULTS:

The Financial Results are briefly indicated below

Particulars	(Amt in Rs.)	
	For the year ended on	
	31.03.2012	31.03.2011
Total Income	722,487,354	623,601,938
Total Expenditure	710,936,441	612,907,982
Net Profit/(Loss) before Tax	11,550,913	1,06,93,956
Provision for Tax	3,926,357	1,118,488
Net Profit/(Loss) after Tax	7,624,556	9,575,468
Profit/(Loss) b/f previous year	44,87,650	(50,87,818)
Balance c/f to Balance Sheet	1,21,12,205	44,87,651

1. FINANCIAL OPERATIONS

During the year ended 31st March, 2012, your Company reported total Income of Rs. 722,487,354/- in comparison to Rs. 623,601,938 /- in previous year resulting to an increase of 15.86%. The Net Profit after tax reduced to Rs. 7,624,556/- as compared to Rs. 9,575,468/- in previous year marking a decrease of 20.38% due to increase in material cost and Manufacturing, Administrative and selling expenses and Compliance related expense.

2. DIVIDEND

In order to conserve the reserves, your Company do not recommend dividend for the financial year 2011-12.

3. DEPOSITS

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

4. PARTICULARS OF EMPLOYEES:

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

5. DIRECTORS:

During the year Mr. Rohit Gadia and Mr. Iftadad Hossain were appointed as an Additional Independent Directors in terms of provisions of Section 260 of the Act and Articles of Association of the Company. The Resolution(s) for their appointment as Director(s) is put forward for your approval in the ensuing Annual General Meeting. Your Director's recommend their appointment as Directors of the Company.

Mr. Ratan Lath and Mr. Ashish Garg resigned from office of Directorship with effect from 27th January, 2012 and 15th March, 2012 respectively. Further the company had also appointed Mr. Punit Agarwal as an Additional Independent Director during the financial year; however he resigned due to personal occupancy. Your Directors place their sincere appreciation to Mr. Ratan Lath, Mr. Ashish Garg and Mr. Punit Agarwal for their contribution in business affairs of the Company.

Mr. Ravinder Kumar Gupta, Director is retiring by rotation in terms of provisions of Companies Act, 1956 and is eligible for re-appointment. The resolution for appointment of Director is placed before you in the Annual General Meeting. Your Director's recommend his appointment as Director of the Company.

6. SUBSIDIARIES:

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

7. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirms:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

8. CORPORATE GOVERNANCE:

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

9. LISTING:

The Company's shares are listed on Bombay Stock Exchange, Ahmedabad Stock Exchange, Calcutta Stock Exchange and the Delhi Stock Exchange. Due to non-compliance of the listing agreement, shares of the Company were suspended for trading on the said Exchange(s). However after necessary compliance of Listing Agreement and conditions mentioned in in-principal approval received and with sincere efforts of your Directors, the suspension of trading of securities has been revoked by Bombay Stock Exchange. The shares of the company are presently tradable on the said Exchange(s).

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

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

11. AUDITORS:

M/s. V. K. Beswal & Associates, Chartered Accountants, the Statutory Auditors of your Company retires at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to be appointed as Statutory Auditor of the Company and further have confirmed their eligibility under section 224 (1B) of the Companies Act, 1956. Your Directors recommend their re-appointment for the financial year 2012-13.

SUNIL INDUSTRIES LIMITED

12. AUDITORS REPORT:

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

13. COMMITTEES OF THE BOARD

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

14. COMPLIANCE CERTIFICATE

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

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

16. OTHER DISCLOSURES

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

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

17. ACKNOWLEDGEMENTS:

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

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

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

**SD/-
VINOD LATH
CHAIRMAN**

Date: June 27, 2012

Place: Dombivli

ANNEXURE - I

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

		31/03/2012	31/03/2011
A.	POWER & FUEL CONSUMPTION		
1.	Electricity		
a)	Purchased		
	Units (in lakhs) (in kwh)	20.50	17.76
	Amount in Rupees (in lakhs)	116.58	94.64
	Rate per Unit (in Rupees)	5.69	5.33
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	Fabrics (kwh/meter)	0.33	0.23

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

I. Research and Development (R & D)	31.03.12	31.03.11
- Expenditure on R & D	Nil	Nil

II. TECHNOLOGY ABSORPTION & ADAPTATION AND INNOVATION

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

The Company is monitoring the technological up-gradation taking place in other countries in the field of business the Company is into and the same are being reviewed for implementation.

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

It helps the Company in Product improvement and Cost reduction.

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

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO*(Rs. In Lacs)*

	31.03.2012	31.03.2011
Foreign Exchange Earnings:		
(FOB vale of Exports)	0	0
Foreign Exchange outgo:		
CIF Value of Stores Imported	9.68	3.25
Foreign travel	1.59	2.51

SUNIL INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

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

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

BOARD OF DIRECTORS:

The Board of the Company comprises of 6 (Six) Directors, out of which 1 (One) is Managing Director, 2 (Two) are Whole Time Director and 3 (Three) are Independent Non Executive Directors of the Company. There is no nominee or Institutional Directors in the Company.

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

During the year, there were in total **7 (Seven)** Board Meetings were held. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes. The dates on which the Board Meeting was held are as follows:

30.04.2011; 29.07.2011; 30.08.2011; 31.10.2011; 27.01.2012; 15.02.2012 and 15.03.2012

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

Sr. No.	Name of Director	Category	No. of Board Meetings Attended	Attendance at Last AGM	No. of Directorship	No. of Other Committee membership in other Companies
1	Mr. Vinod Lath	Chairman & Managing Director	7	Yes	1	Nil
2	Mr. Pradeep Roongta	Whole Time Director	7	Yes	1	Nil
3	Mr. Ramesh Khanna	Whole Time Director	7	Yes	1	Nil
4.	Mr. Ravinder Gupta	Independent and Non Executive Directors	7	Yes	1	Nil
5	Mr. Ashish Garg (resigned on 15.03.2012)	Independent and Non Executive Directors	6	Yes	5	Nil
6	Mr. Ratan Lath (resigned on 27.01.2012)	Independent and Non Executive Directors	4	Yes	1	Nil
7	Mr. Punit Agarwal (appointed on 27.01.2012 and resigned on 15.03.2012)	Independent and Non Executive Directors	1	No	0	Nil
8.	Mr. Rohit Gadia (appointed on 15.03.2012)	Independent and Non Executive Directors	1	No	4	Nil
9.	Mr. Iftadad Hossain (appointed on 15.03.2012)	Independent and Non Executive Director	1	No	2	2

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

Resume of Mr. Ravinder Gupta

Name of Director	:	Mr. Ravinder Gupta
Age	:	54
Qualification	:	Graduate
Expertise in functional Area	:	Finance & Administration
Directorship in other Indian Public Limited Companies and other firms as on 31st March, 2012.	:	Apple Sponge & Power Limited
Shareholdings	:	NIL

Resume of Mr. Rohit Gadia

Name of Director	:	Mr. Rohit Gadia
Age	:	28
Qualification	:	MBA (Pursuing Ph. D)
Expertise in functional Area	:	People. Process. Technology.
Directorship in other Indian Public Limited Companies and other firms as on 31st March, 2012.	:	Capitalvia Global Research Ltd. Valueleaf Services (India) Pvt. Ltd. Dreamgains Financials India Pvt. Ltd. Bluetiger Learning Services Pvt. Ltd.
Shareholdings	:	NIL

Resume of Mr. Iftadad Hossain

Name of Director	:	Mr. Iftadad Hossain
Age	:	40
Qualification	:	Graduate
Expertise in functional Area	:	Finance
Directorship in other Indian Public Limited Companies and other firms as on 31st March, 2012.	:	Apple Commodities Ltd. Apple Industries Ltd.
Shareholdings	:	NIL

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

Pursuant to the provisions of section 292(A) of the Companies Act, 1956 & Clause 49 II of Listing Agreement, an Audit Committee comprising of 3 Non-Executive Directors has been constituted as under:

Mr. Ravinder Kumar Gupta	Chairman
Mr. Rohit Gadia	Member
Mr. Iftadad Hossain	Member

During the year, there were in total **5 (Five)** Audit Committee Meetings were held on **30.04.2011; 29.07.2011; 30.08.2011; 31.10.2011 and 15.02.2012**

The following table gives the attendance of the members at Audit Committee Meetings of the Board of Directors of the Company during the financial year ended March 31, 2012:

SUNIL INDUSTRIES LIMITED

Name of the Member	Status	No. of Meeting(s) held (after appointment)	No. of Meetings attended
Mr. Ravinder Kumar Gupta	Chairman	5	5
Mr. Ratan Lath (resigned on 27.01.2012)	Member	4	4
Mr. Ashish Garg (resigned on 15.03.2012)	Member	5	5
Mr. Punit Agarwal (appointed on 27.01.2012 and resigned on 15.03.2012)	Member	1	1
Mr. Rohit Gadia (appointed on 15.03.2012)	Member	0	0
Mr. Iftadad Hossain (appointed on 15.03.2012)	Member	0	0

B. Remuneration Committee

The Remuneration Committee comprises of **3 (Three)** Members, all of whom are Non Executive Directors and the Chairman of the Remuneration Committee is an Independent, Non Executive Director of the Company. The composition of the Remuneration Committee as on 31st March, 2012 as follows:

Mr. Ravinder Kumar Gupta	:	Chairman
Mr. Mr. Rohit Gadia	:	Member
Mr. Iftadad Hossain	:	Member

No Remuneration Committee meetings were held during the period under review.

C. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee comprises of **3 (Three)** Members, all of whom are Non Executive Directors and the Chairman of the Remuneration Committee is an Independent, Non Executive Director of the Company. The composition of the Shareholders/Investors Grievance Committee as on 31st March, 2012 as follows:

Mr. Ravinder Kumar Gupta	:	Chairman
Mr. Mr. Rohit Gadia	:	Member
Mr. Iftadad Hossain	:	Member

During the year, there were in total **4 (Four)** Shareholders/Investors Grievance Committee Meetings were held on **30.04.2011; 29.07.2011; 31.10.2011 and 15.02.2012**

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

Name of the Member	Status	No. of Meeting(s) held (after appointment)	No. of Meetings attended
Mr. Ravinder Kumar Gupta	Chairman	4	4
Mr. Ashish Garg (resigned on 15.03.2012)	Chairman	4	4
Mr. Ratan Lath (resigned on 27.01.2012)	Member	3	3
Mr. Punit Agarwal (appointed on 27.01.2012 and resigned on 15.03.2012)	Member	1	1
Mr. Rohit Gadia (appointed on 15.03.2012)	Member	0	0
Mr. Iftadad Hossain (appointed on 15.03.2012)	Member	0	0

GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue	Special Resolution(s)
2008-2009	31.12.2009	11.00 A.M	D-8, MIDC, Manpada Road, Dombivali (E), Thane – 421 201.	0 (Nil)
2009-2010	30.09.2010	11.00 A.M	D-8, MIDC, Manpada Road, Dombivali (E), Thane – 421 201.	0 (Nil)
2010-2011	30.09.2011	11.00 A.M	D-8, MIDC, Manpada Road, Dombivali (E), Thane – 421 201.	3 (Three)

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

DISCLOSURES:

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

MEANS OF COMMUNICATION:

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

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

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

GENERAL SHAREHOLDERS INFORMATION:

- The Annual General Meeting is scheduled to be held on Saturday the **29th September, 2012 at 11.00 a.m.** at the Regd. Office of the Company.
- The Financial year of the company is from April to March. The financial calendar is as per following.

First quarter results (30 th June)	By Mid August
Annual General Meeting	29 th September, 2012
Second quarter results (30 th September)	By Mid November
Third quarter results (31 st December)	By Mid February
Fourth quarter / Annual Results	By Mid May (If Un-Audited) By End of July (If Audited)
- Book Closure dates are from **Saturday the 22nd September, 2012 to Saturday the 29th September, 2012 (both days inclusive).**
- The Board of Directors have not proposed any dividend for the current financial year.
- The company's shares are listed at Bombay, Ahmedabad, Delhi and Calcutta Stock Exchanges, out of which Bombay Stock Exchange is a Regional Stock Exchange. The suspension on trading of securities of the Company has been revoked by Bombay Stock Exchange and securities are presently freely tradeable.

SUNIL INDUSTRIES LIMITED

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

The Stock Exchange, Delhi;
Security in physical form no. DSE - 7819;
ISIN No. INE124M01015
Scrip Name - SUNIL INDUSTRIES LIMITED

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

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

7. Market price data:

The revocation on suspension in trading of Equity shares of the Company were suspended with effect from May 25, 2012 and actual trading commenced from June 2012 therefore market price data is not available for the current financial year.

8. Share Transfer System

The Share transfer of Securities in Physical form are registered, duly transferred and dispatched within one month of the receipt, if the transfer documents are in order. The share transfers are approved every fifteen days.

Address of Registrars and Share Transfer Agent.

Link Intime India Private Limited.

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

9. Distribution of Shareholding as on 31st March, 2012.

Share holding of Rs.	Nominal Value of Rs.	Shareholders No.	% of Total	Share Amt.	% of Total
				Rs.	
1	5000	6527	95.2430	8157000	19.4214
5001	10000	157	2.2910	1322000	3.1476
1,0001	20000	60	0.8755	932000	2.2190
2,0001	30000	22	0.3210	570000	1.3571
3,0001	40000	9	0.1313	319000	0.7595
4,0001	50000	22	0.3210	1046000	2.4905
5,0001	100000	18	0.2627	1518000	3.6143
Above	100001	38	0.5545	28136000	66.9905
TOTAL		6853	100.000	42000000	100.0000

10. Dematerialization of securities

The Company has entered into agreement with NSDL on April 21, 2011 for dematerialization of its securities and received **ISIN No. as INE124M01015**

As on 31st March, 2012, **47.65%** of the Company's total shares representing **2001300** shares were held in de-materialized form and the balance **52.35%** representing **2198700** shares in paper form. The details are given below :

Type	No. of Shares Held	% Shareholding
De-materialized shares		
With N.S.D.L	1035900	24.66
With C.D.S.L	965400	22.99
Total demat shares	2001300	47.65
Physical shares	2198700	52.35
TOTAL	4200000	100.00

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

12. The Company's Plant are located as under.

Spinning Unit:

S. F. Mo. 324/1, Karungal Village,
K. Anapatti Post, Veda sandur 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.

13. Address for correspondence:

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

D-8, MIDC, PHASE II,
MANPADA ROAD, DOMBIVLI (E),
Dist. Thane - 421 203.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian Textile Industry is one of the leading industries in the world. Though was predominantly unorganized industry a few years back, but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much needed thrust to the Indian Textile Industry, which has now successfully become one of the largest in the world. Indian Textile Industry largely depends upon the textile manufacturing and exports. It also plays the major role in the economy of the country. India earns about 27% of its foreign exchange through textile exports. Further, the Textile Industry of India also contributes nearly 14% of the Total Industrial Production of the country. It also contributes around 3% to the GDP of the country. India Textile Industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry but also opens up scopes for the other ancillary sectors. India Textile Industry currently generates employment to more than 35 million people.

India is now a fast emerging market inching to reach half a billion middle income population by 2030. All these factors are good for the Indian textile industry in a long run. Even though the global economic crisis seems to be worsening day-by-day, as long as economies are emerging and growing as those in South and South East Asia, textile industry is here to grow provided it takes competition and innovation seriously.

It has been recently reported that textile exports in 2012-13 period will be equal or could be even lower than the one achieved in 2011-12. In this global financial meltdown situation, what should the Indian textile industry do? In the times of adversity, it is an immediate task for all stake holders to pause for a moment and take stock of the difficulties and chart plans for sustainability and growth of the Indian textile industry.

b) SEGMENTWISE PERFORMANCE:

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

c) OPPORTUNITIES / OUTLOOK:

The country's domestic market offers much potential for growth and numerous business opportunities as demand for textile products is expected to keep step with increased purchasing power auguring well for the textile Industry. Experts are of the opinion that the era of domination of the world's textile and apparel market by goods originating in China has reached its zenith and that the base is gradually shifting to India and Pakistan.

Your Company is very much optimistic keeping in view the above mentioned opportunities in the textile industry. The vast and varied experience of the promoters of the company in this opportunistic scenario may lead the company to capitalize on business opportunities & further expect a better outlook in the coming years.

Cotton prices which have been highly volatile are of major concern for textile manufacturers along with ever increasing energy prices. Rising oil prices and inadequate power supply situation in the state could result in higher input prices, which lead to lesser margins in profitability.

d) THREATS:

Cotton prices which have been highly volatile are of major concern for textile manufacturers along with ever increasing energy prices. Rising oil prices and inadequate power supply situation in the state could result in higher input prices, which lead to lesser margins in profitability. The major threats for the company are competition from unorganized sectors.

e) RISKS AND CONCERNS:

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

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

g) HUMAN RESOURCES POLICIES:

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

h) CAUTIONARY STATEMENT:

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

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

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

**SD/-
VINOD LATH
CHAIRMAN**

Date: June 27, 2012

Place: Dombivli

SUNIL INDUSTRIES LIMITED

CEO/CFO CERTIFICATION

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

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

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

FOR **SUNIL INDUSTRIES LIMITED**

Sd/-
Mr. Vinod Lath
(CEO)

FOR **SUNIL INDUSTRIES LIMITED**

Sd/-
Mr. Pradeep Roongta
(CFO)

Date: June 27, 2012
Place: Dombivli

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I, Mr. Vinod Lath, Managing Director of the Company hereby declare that all Board members and senior management personnel shall affirm compliance with the code on an annual basis

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

SD/-

**VINOD LATH
CHAIRMAN**

Date: June 27, 2012

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 produced by the company during the year ended on **31st March, 2012** with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied with Clauses 49 of the Listing Agreement.

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

For **HS Associates,**
Company Secretaries

**Sd/-
Hemant Shetye
Partner**

Date: June 27, 2012

Place: Dombivli


SUNIL INDUSTRIES LIMITED

COMPLIANCE CERTIFICATE

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

To,
The Members,
SUNIL INDUSTRIES LIMITED
D 8, MIDC Phase II,
Manpada Road,
Dombivli (East),
Thane - 421 203.

We have examined the registers, records, books and papers of **SUNIL INDUSTRIES LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
 2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
 3. The Company being a limited Company has a minimum prescribed paid-up capital.
 4. The Board of Directors duly met 7 (Seven) times on **30.04.2011; 29.07.2011; 30.08.2011; 31.10.2011; 27.01.2012; 15.02.2012 and 15.03.2012** in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
 5. The Company has closed its Register of Members for the period **Friday, 23rd September, 2011 to Friday, the 30th September, 2011**
 6. The Annual General Meeting for the financial year ended on **31st March, 2011** was held on **30th September, 2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
 7. No Extra Ordinary General Meetings were held during the financial year.
 8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
 9. The Company has entered into transaction falling within the purview of Section 297 of the Act however no Central Government approval is taken.
 10. The Company has made the necessary entries in the register maintained under Section 301 of the Act.
 11. There were instance falling within the purview of Section 314 of the Act during the financial year, however no approval of members were obtained.
 12. The Company has not issued any duplicate certificates during the financial Year.
 13. The Company has:
 - (i) Has delivered all Share Certificates on lodgment for transfer of 60400 Equity shares of Rs. 10/- each during the financial year. There was no other allotment or transmission of securities during the financial year.
 - (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) not posted warrants to any members of the Company as no dividend was declared during the financial year.
 - (iv) not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for seven years, to Investor Education and Protection Fund as no amount in respect of the above were lying in the books of accounts of the Company to be transferred
 - (v) duly complied with the requirements
-
- 

14. The Board of Directors of the Company is duly constituted. During the year three directors were appointed as an Additional Director of which one director has resigned. Apart from this, there was no appointment of Alternate Director and/or Director to fill casual vacancy.
15. The Company has re-appointed a Managing Director and two Whole Time Director(s) during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was required to obtain approval of Central Government under Section 297 of the Act however no such approval was obtained. Apart from this the Company was not required any approval of Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no Preference Share Capital or Debentures and as such there was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company during the financial year is within the borrowing limits prescribed under Section 293(1) (d) of the Act.
25. The Company has made investments of Rs. 20,001,000/- but has not given any loans or guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its articles of association during the financial Year.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishments was imposed on the Company during the financial year, for offences under the Act
32. The Company has not received any money as security from its employees during the financial year.
33. As explained to us, the Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

PLACE: Mumbai.
DATE: 27th June, 2012

-Sd-
HEMANT SHETYE
PARTNER
HS ASSOCIATES
C.P. No.: 1483
F.C.S : 2827

SUNIL INDUSTRIES LIMITED

ANNEXURE "A"

REGISTERS AND RECORDS MAINTAINED BY THE COMPANY

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

ANNEXURE "B"

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, Company Law Board, Central Government and other authorities during the financial year ended on 31st March 2012.

Forms	Sections	Filing Date	Particulars
e-form66	383A	22/10/2011	Submission of Compliance Certificate for the year ending March 31, 2011
e-form 23	192	22/10/2011	Particulars of Registration of Resolution and Agreements
e-form 25C	269(2) and Schedule XIII	07/11/2011	Particulars of re-appointment of Managing Director
e-form 25C	269(2) and Schedule XIII	07/11/2011	Particulars of re-appointment of Whole-time Director
e-form 25C	269(2) and Schedule XIII	07/11/2011	Particulars of re-appointment of Whole-time Director
e-form 20B	159	22/11/2011	Submission of Annual Return for the year ending March 31, 2011
e-form 23AC XBRL and e-form 23ACA XBRL	220	30/12/2011	Submission of Balance sheet and Profit & Loss Account for the year ended March 31, 2011
e-form 32	303 (2)	23/02/2012	Particulars for appointment of Additional Director

SIGNATURE: -Sd-

PLACE: Mumbai.
DATE: 27th June, 2012

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

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF SUNIL INDUSTRIES LIMITED

- 1) We have audited the attached Balance Sheet of Sunil Industries Limited as at 31st March, 2012, and the Profit & Loss Account of the Company for the year ended on that date and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, (CARO) issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, (the Act), we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the annexure referred to in paragraphs above :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, the Profit & loss Account and the Cash Flow Statement comply with the accounting standards referred to in Section 211 (3C) of the Act.
 - e) On the basis of written confirmation received from Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Act.
- 5) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of the cash flow statement , of the cash flows for the year ended on that date.

For V.K.BESWAL & ASSOCIATES
FIRM REGISTRATION No: 101083W
CHARTERED ACCOUNTANTS

Sd/-

R.P.LADDHA
(PARTNER)

Membership No. 48195

Place: Mumbai
Dated: June 27, 2012

SUNIL INDUSTRIES LIMITED

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE (Referred to in paragraph 3 in the case of Sunil Industries Limited)

- i) In respect of fixed assets:
 - a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) the fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification;
 - c) since the company has not disposed off a substantial part of fixed assets during the year, the question of sale of substantial part of fixed assets affecting going concern concept does not arise.
- ii) In respect of inventories:
 - a) as explained to us, physical verification of inventory has been conducted during the year by the management at reasonable intervals;
 - b) in our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
 - c) in our opinion, and according to the information and explanation given to us, the Company is maintaining proper records of its inventory and no material discrepancies were noticed on physical verification.
- iii) In respect of loans, secured or unsecured, granted or taken by the company, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act, according to the information and explanations given to us:
 - a) The company has not granted any loan to companies or firms or parties covered in the register maintained under section 301 of the Act.
 - b) The Company has not taken any loans from parties covered in the Register maintained under section 301 of the Act. The company has however taken loan from one company covered in the Register maintained under section 301 of the Act. The maximum amount outstanding during the year in respect of the loans taken from company covered in the Register maintained under section 301 of the Act aggregates to Rs 1214.94 lakhs and the balance outstanding at 31.0.3.2012 is Rs.264.61 Lakhs.
 - c) in respect of the unsecured loans taken by the company, the rate of interest and other terms are prima facie not prejudicial to interest of the company;
 - d) there are no overdue amounts of loans taken or granted by the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of the audit we have not observed any continuing failure to correct any major weakness in internal control.
- v) In respect of transactions that need to be entered in the register maintained in pursuance of Section 301 of the Act in our opinion and according to the explanations given to us:
 - a) transactions that need to be entered into the Register in pursuance of Section 301 of the Act have been so entered;
 - b) the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act have been made at prices which are reasonable having regard to prevailing market prices and exigencies of the trade at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits covered under section 58A and section 58AA of the Act and hence the question of contravention of the provisions thereof does not arise.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of subsection (1) of Section 209 of the Act, and are of the opinion that Prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examinations of records with a view to determine whether they are accurate or complete

ix) According to the information and explanation given to us in respect of statutory and other dues:

a) the company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Excise Duty and any other statutory dues with appropriate authorities where applicable. As explained to us, the company did not have any dues on account of investor education and protection fund, wealth tax, cess and customs duty.

b) the following dues have not been deposited by the company on account of disputes:

Sr. No.	Name of the statute	Amount (In Lacs)	Forum where dispute is pending
i)	Central Excise Duty	219.58	Adjudication
ii)	Central Excise Duty (Payment made under protest Rs. 20 Lakhs)	238.27	Central Excise Appellate Tribunal (CEGAT)

x) The company has no accumulated losses at the end of the year under review. The company has not incurred cash losses during the year under review and in the immediately preceding previous year.

xi) The company has not taken loan from banks other institutions or by way of debentures. Hence the question of default therein does not arise.

xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The company is not a chit fund or nidhi, mutual benefit fund, society. Therefore, clause 4 (xiii) of the CARO is not applicable to the company.

xiv) The company has not been dealing or trading in shares, debentures and other investments. Therefore, clause 4(xiv) the CARO is not applicable to the Company.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.

xvi) The company has not taken any term loan during the year under review. Hence this clause is not applicable.

xvii) The company has not used the funds raised on short term basis for long term investments.

xviii) The company has not made any preferential allotment of shares during the year and accordingly the question of price being prejudicial to the interest of the company does not arise.

xix) Clause 4 (xix) is not applicable since as at the end of the year under review there are no debentures issued.

xx) During the period, the Company has not raised any money by way of public issue.

xxi) According to the information and explanations given to us, no fraud on or by the Company have been noticed or reported during the financial year under review.

For V.K.BESWAL & ASSOCIATES
FIRM REGISTRATION No: 101083W
CHARTERED ACCOUNTANTS
 Sd/-

R.P.LADDHA
(PARTNER)

Place: Mumbai
Dated: June 27, 2012

Membership No. 48195

SUNIL INDUSTRIES LIMITED

Balance Sheet as at 31 March, 2012

	Note No.	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	41,984,000	41,984,000
(b) Reserves and surplus	2	202,250,128	194,625,573
		244,234,128	236,609,573
2 Non-current liabilities			
(a) Long-term borrowings	3	38,569,600	128,344,227
(b) Deferred tax liabilities (net)	4	6,747,046	6,185,326
		45,316,646	134,529,553
3 Current liabilities			
(a) Trade payables	5	64,291,768	64,897,991
(b) Other current liabilities	6	18,562,380	12,656,373
(c) Short-term provisions	7	-	923,739
		82,854,148	78,478,103
TOTAL		372,404,922	449,617,229
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	64,465,890	68,134,997
(ii) Capital work-in-progress		-	1,420,847
		64,465,890	69,555,844
(b) Non-current investments	9	2,001,000	187,661
(d) Long-term loans and advances	10	14,049,759	12,616,106
		16,050,759	12,803,767
2 Current assets			
(a) Inventories	11	158,282,660	178,024,545
(b) Trade receivables	12	55,479,378	104,435,284
(c) Cash and cash equivalents	13	37,303,258	49,583,709
(d) Short-term loans and advances	14	40,822,977	35,214,080
		291,888,273	367,257,618
TOTAL		372,404,922	449,617,229

Notes forming part of the financial statements

As per our attached report of even date
FOR V.K. BESWAL & ASSOCIATES
 CHARTERED ACCOUNTANTS

For and on behalf of the Board

Sd/-
R.P. LADDHA
 (PARTNER)
 Membership No. 48195

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

Sd/-
P.K. Roongta Executive Director

Place: Mumbai
 Dated: 27th June, 2012

Place: Mumbai
 Dated: 27th June, 2012

Statement of Profit and Loss for the year ended 31 March, 2012

	Note No.	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
1	15	717,260,411	619,024,870
2	16	5,226,943	4,577,068
3		722,487,354	623,601,938
4			
(a)	17A	576,687,825	351,100,921
(b)	17B	(40,256,518)	9,153,436
(c)	18	9,205,447	8,990,235
(d)	19	14,116,871	17,703,807
(e)	8	6,212,267	6,972,624
(f)	20	144,970,549	218,986,959
Total expenses		710,936,441	612,907,982
5		11,550,913	10,693,956
6			
(a)		2,311,078	2,289,051
(b)		1,053,559	(1,086,214)
(c)		-	-
(d)		3,364,637	1,202,837
(e)		561,720	-84,349
		3,926,357	1,118,488
7		7,624,556	9,575,468
8			
(a)		1.82	2.28
(b)		1.82	2.28

Notes forming part of the financial statements

As per our attached report of even date
FOR V.K. BESWAL & ASSOCIATES
 CHARTERED ACCOUNTANTS

For and on behalf of the Board

Sd/-
R.P. LADDHA
 (PARTNER)
 Membership No. 48195

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

Sd/-
P.K. Roongta Executive Director

Place: Mumbai
 Dated: 27th June, 2012

Place: Mumbai
 Dated: 27th June, 2012

SUNIL INDUSTRIES LIMITED

Notes Forming Part of the Financial Statements

Note 1 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each	5,000,000	50,000,000	5,000,000	50,000,000
(b) Issued				
Equity shares of ₹ 10 each	4,200,000	42,000,000	4,200,000	42,000,000
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each	4,200,000	42,000,000	4,200,000	42,000,000
(d) Subscribed but not fully paid up				
		16,000		16,000
		16,000		16,000
Total	4,200,000	41,984,000	4,200,000	41,984,000

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

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	4,200,000	41,984,000	4,200,000	41,984,000
Shares Issued during the year	-	-	-	-
Bonus Issue/ESOP/Conversion	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,200,000	41,984,000	4,200,000	41,984,000

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

Name of Shareholder	As at 31 March, 2012		As at 31 March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Exim Pvt Ltd	344,900	8.21	344,900	8.21
Saroj Vinod Lath	335,200	7.98	335,200	7.98
Rajshree Fiscal Services Ltd	317,500	7.56	317,500	7.56
Vinod Gajanand Lath	274,000	6.52	274,000	6.52
Laxmikant Lath	234,500	5.58	234,500	5.58

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

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

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

Unpaid Calls	₹
By Directors	-
By Officers	-

Notes Forming Part of the Financial Statements

Note 2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Securities premium account		
Opening balance	49,343,289	49,343,289
Add : Premium on shares issued during the year		
Arrears in Share Premium Account	63,000	63,000
Closing balance	49,280,289	49,280,289
(b) General reserve		
Opening balance	140,857,634	140,857,634
Add: Transferred from surplus in Statement of Profit and Loss		
Closing balance	140,857,634	140,857,634
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	4,487,650	-5,087,818
Add: Profit / (Loss) for the year	7,624,556	9,575,468
Closing balance	12,112,205	4,487,650
Total	202,250,128	194,625,573

Note 3: Long Term Borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Inter Corporate Deposit	38,569,600	128,344,227
	38,569,600	128,344,227

Note 4. Deffered Tax Liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Book balance of fixed assets	64,465,891	68,134,998
Balance of fixed asset computed as per Income Tax rules	43,670,557	48,117,762
Tax effect of items constituting deferred tax assets	20,795,334	20,017,236
Net deferred tax liability	6,747,046	6,185,326

Note 5 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Trade payables:	64,291,768	64,897,991
Total	64,291,768	64,897,991

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

SUNIL INDUSTRIES LIMITED

Notes Forming Part of the Financial Statements

Note 6 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(i) Other Liabilities	13,919,734	6,664,183
(ii) Creditors For Expenses	4,642,646	5,992,190
Total	18,562,380	12,656,373

Note 7 Short-term provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Provision For Income tax	-	923,739
Total	-	923,739

Notes Forming Part of the Financial Statements

Note 8 Tangible Fixed Assets

Amount in Rs.

Particulars	Gross Block			Accumulated depreciation			Net block		
	Balance as at 1st April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1st April 2011	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March 2012	Balance as at 31 March 2011
a) Land (Leasehold)	4,669,409	-	-	4,669,409	19,145	3,829	-	4,646,435	4,650,264
b) Building									
Factory Building	40,794,441	-	-	40,794,441	16,917,967	1,362,534	-	22,513,940	23,876,474
Bhiwandi Godown	198,920	-	-	198,920	108,877	6,644	-	83,399	90,043
Office Premises	830,050	-	-	830,050	250,546	13,530	-	565,974	579,504
Residential Premises	251,000	-	-	251,000	61,365	4,091	-	185,544	189,635
Building	8,587,216	60,360	-	8,647,576	426,174	287,650	-	7,933,752	8,161,042
c) Office Equipments									
Lab Equipments	1,857,095	-	-	1,857,095	1,526,261	192,024	-	138,810	330,834
Office Equipment	225,629	-	-	225,629	70,249	21,613	-	133,767	155,380
d) Plant & Machineries									
Plant & Machinery	120,196,623	2,136,630	-	122,333,253	93,576,735	3,707,121	-	25,049,397	26,619,888
Tube Well	106,833	-	-	106,833	90,679	5,075	-	11,079	16,154
e) Electrical Equipments									
Electrical Equipments	3,427,507	-	-	3,427,507	1,988,477	162,807	-	1,276,223	1,439,030
f) Computers									
Computers	3,992,072	156,650	-	4,148,722	3,471,851	96,375	-	580,496	520,221
g) Furniture & Fixtures									
Furniture & Fixtures	4,558,019	130,896	-	4,688,915	4,086,639	107,890	-	494,386	471,380
h) Office Equipments									
Office Equipments	1,532,283	58,625	-	1,590,908	1,266,270	41,955	-	282,683	266,013
i) Motor Car									
Motor Car	1,883,581	-	-	1,883,581	1,114,446	199,130	-	570,005	769,135
Total	193,110,678	2,543,161	-	195,653,839	124,975,681	6,212,267	-	64,465,890	68,134,997
Previous Year	183,520,067	9,965,611	375,000	193,110,678	118,074,651	6,972,624	71,594	68,134,998	65,445,417

Notes Forming Part of the Financial Statements

Note 9 : Non Current Investments

Particulars	As at 31	As at 31
	March, 2012	March, 2011
	₹	₹
A Non- Trade Investments (Refer A below)		
(a) Investments in Mutual Funds	2,000,000	186,661
(b) Investment in Equity instruments	1,000	1,000
Total (A)	2,001,000	187,661

A) Details of Non- Trade Investments

Sr. No.	Particulars	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No
			31.03.2012	31.03.2011			31.03.2012	31.03.2011	31.03.2012	31.03.2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A	Investments in Mutual Funds										
	ICICI Prudential Flexible Regular Daily Dividend								2,000,000	186,661	Yes
									<u>2,000,000</u>	<u>186,661</u>	
B	Investment in Equity Instruments										
	Sunil Fabrics Private Limited	Others	10	10	Unquoted	Fully Paid	0.02		1,000	1,000	Yes
									<u>1,000</u>	<u>1,000</u>	

Notes Forming Part of the Financial Statements

Note 10 Long-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Security deposits		
Secured, considered good	-	-
Unsecured, considered good	2,941,468	3,530,529
	2,941,468	3,530,529
(b) Balances with government authorities		
Unsecured, considered good		
(i) Excise Authorities	2,065,000	2,065,000
(ii) Others	6,931,840	4,057,483
(iii) Income Tax Refund Due	301,666	99,750
(iv) Minimum Alternate Tax Credit Carried forward	1,809,785	2,863,344
	11,108,291	9,085,577
Total	14,049,759	12,616,106

Note 11 Inventories

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Raw materials	37,636,276	98,046,645.96
(b) Work-in-progress	42,028,922	36,812,005.00
(c) Finished goods (other than those acquired for trading)	68,773,482	33,733,880.00
(d) Stores and spares	8,650,647	8,858,901.00
(e) Packing Materials	502,398	195,503.00
(f) Fuel, Oil & Gases	690,935	377,610.00
Total	158,282,660	178,024,544.96

Method of Valuation of Stock :

- Stock of Raw Material & Packing material is valued at lower of Cost determined on FIFO basis or net realisable value
- Stores & spares and Fuel, oil & Gases
- 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.

SUNIL INDUSTRIES LIMITED

Note 12 Trade receivables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Unsecured, considered good	4,961,828	6,890,043
Doubtful	-	
	4,961,828	6,890,043
Less: Provision for doubtful trade receivables	-	
	4,961,828	6,890,043
Other Trade receivables		
Secured, considered good		
Unsecured, considered good	50,517,550	97,545,241
Doubtful	50,517,550	97,545,241
Less: Provision for doubtful trade receivables		
Total	55,479,378	104,435,284

Note 13 Cash and cash equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Cash on hand	417,969	811,233
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	1,241,781	18,072,476
(ii) In deposit accounts	35,643,508	30,700,000
Total	37,303,258	49,583,709

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 37303258

Note 14 Short-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Advances Recoverable in Cash or Kind		
Secured, considered good	-	-
Unsecured, considered good	40,558,871	34,946,048
Prepaid expenses	264,106	268,032
Total	40,822,977	35,214,080

Notes Forming Part of the Financial Statements

Note 15 Revenue from operations

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Sale of products @ (Refer Note (i) below)	713,235,617	608,795,928
(b) Sale of services @ (Refer Note (ii) below)	4,024,794	10,228,942
Total	717,260,411	619,024,870

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(i) Sale of products comprises		
Cloth	586,953,286	602,492,710
Made-Ups	102,256,200	-
Fibre	23,972,194	6,271,598
Yarn	53,937	31,620
Total - Sale of manufactured & Traded goods	713,235,617	608,795,928
(ii) Sale of services comprises		
Processing Charges	3,478,830	10,201,717
Doubling Charges received	195,630	-
Rewinding Charges	8,909	-
Warping charges received	341,425	-
Twisting Charges	-	27,225
Total - Sale of services	4,024,794	10,228,942

Note 16 Other income

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Interest income	3,858,798	2,531,732
(b) Dividend income:	486,766	-
(c) Net gain on sale of machine	-	1,594
(d) MCD Interest	1,500	-
(e) Sundry Balances Written Back	138,757	1,335,320
(f) Sundry Sales	732,570	708,422
(g) Profit on Foreign exchange fluctuation	8,552	-
Total	5,226,943	4,577,068

SUNIL INDUSTRIES LIMITED

Notes Forming Part of the Financial Statements

Note 17.A Cost of materials consumed

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Raw Material Consumed		
Opening Stock	98,046,646	40,855,232
Add: Purchases	282,671,399	350,917,889
	380,718,045	391,773,121
Less: Closing stock	37,636,277	98,046,646
Rebate & Discount	423,489	1,307,113
	342,658,279	292,419,362
Purchases	234,029,546	58,681,559
Total Consumption	576,687,825	351,100,921
(i) Raw Material Comprises of:		
(A) Yarn	286,323,269	211,205,606
(B) Cloth	35,736,417	20,409,140
(C) Fibre	20,598,593	60,804,616
	342,658,279	292,419,362
(ii) Purchase Comprises of:		
Cloth	132,719,246	58,681,559
Made-ups	101,310,300	-
	234,029,546	58,681,559

Note 17.B Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) <u>Inventories at the end of the year:</u>		
Finished goods	68,773,482	33,733,880
Work-in-progress	42,028,922	36,812,005
Stock-in-trade		
	110,802,404	70,545,885
(b) <u>Inventories at the beginning of the year:</u>		
Finished goods	33,733,880	43,481,508
Work-in-progress	36,812,006	36,217,813
Stock-in-trade		
	70,545,886	79,699,321
Net (increase) / decrease	(40,256,518)	9,153,436

Notes Forming Part of the Financial Statements

Note 18 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Salaries and wages	7,460,881	7,268,925
(b) Contributions to provident and other funds	707,278	758,401
(c) Staff welfare expenses	1,037,288	962,909
Total	9,205,447	8,990,235

Note 19 Finance costs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Interest	13,618,101	17,367,462
(b) Bank charges	498,770	336,345
Total	14,116,871	17,703,807

Note 20 Other expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
MANUFACTURING EXPENSES		
Processing and Labour Charges	15,007,254	26,364,597
Spinning Charges	621,090	18,830,668
Weaving & Other Mfg exp	32,629,156	43,168,134
Stores, Dyes and Chemicals consumed	36,085,332	56,683,515
Power and Fuel	26,242,729	34,398,348
Water Charges	2,034,330	2,794,439
Repairs to Building	951,815	3,554,873
Repairs to Machinery	2,452,778	2,231,582
Repairs to Others	1,138,547	1,090,184
Screen Design Expenses	61,627	201,651
Packing Material consumed	9,903,923	8,576,092
ADMINISTRATIVE EXPENSES		
Rent, Rates and Taxes	1,112,874	1,374,838
Insurance Charges	826,403	816,909
Travelling and Conveyance	876,946	761,593
Other Expenses	4,511,949	3,941,371
Freight, Octroi and Forwarding Expenses	5,692,971	9,243,561
Sales tax	-	280,000
Auditors's Remuneration	475,800	362,336
SELLING EXPENSES		
Advertisement and Sales Promotion	1,213,257	1,873,451
Brokerage and Commission	3,131,768	2,438,817
Total	144,970,549	218,986,959

Notes Forming Part of the Financial Statements

Note

1 Corporate information

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

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

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

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

2.4 Cash flow statement

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

2.5 Depreciation and amortisation

Accounting Policies:

Fixed Assets :

a) Gross Block :

All Fixed Assets are stated at cost.

b) Depreciation:

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

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

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

2.6 Other income

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

2.8 Revenue recognition

Sale of goods

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

2.9 Tangible fixed assets

All Fixed Assets are stated at cost.

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

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

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

2.11 Investments

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

SUNIL INDUSTRIES LIMITED

2.12 Employee benefits

Employee benefits include provident fund & gratuity fund.

Defined contribution plans:

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

Short-term employee benefits:

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

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

Gratuity (Funded)	31-3-2012
Reconciliation of Fair Value of Plan Assets	₹
Present Value of Defined Benefit Obligation as at the Beginning of the Year	1,118,832
Interest Cost	89,507
Current Service Cost	51,660
Net Actuarial (Gain) / Loss	23,738
Present Value of Obligations as at end of the year	1,118,832

Reconciliation of Fair Value of Plan Assets	31-3-2012	31-3-2011
	₹	₹
Fair Value of Plan Assets as at the Beginning of the Year	1,266,605	1,013,852
Expected Return on Plan Assets	116,454	96,113
Employer's Contribution	76,351	156,640
Fair Value of Plan Assets as at the End of the Year	1,459,410	1,266,605

Gratuity	31-3-2012	31-3-2011
	₹	₹
Funds Maintained with Life Insurance Corporation of India	100%	100%

2.13 Segment reporting

Business Segments :

The company is primarily engaged in business of processing of fabrics and sale.

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

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

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

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

Mr. Vinod Lath – Managing Director
 Mr. Laxmikant Lath – Son of Managing Director
 Mr. Ramesh Khanna- Whole time Director
 Mr. Pradeep Roongta – Whole time Director
 Mrs. Saroj Lath – Wife of Managing Director
 Mrs. Rashmi Khanna – Wife of the Director
 Mrs. Beena Roongta – Wife of the Director
 Mrs. Vandana Lath – Daughter-in-law of Managing Director
 Note: Related parties have been identified by the Management.

Details of related party transactions during the year and balances outstanding as at 31 March, 2012:

	31-3-2012	31-3-2011
	Amount	Amount
	₹ In Lakhs	₹ In Lakhs
B) Transactions with Related Parties :		
a) Transactions with enterprises controlled by directors & Relative		
1. Cloth Purchase	-	76.86
2. Cloth Sales	-	76.63
3 Outstanding Receivables	-	3.95
4. Outstanding Payables	241.93	116.77
5. Weaving Charges Paid	126.87	166.98
6. Loan Taken	554.08	176.00
7. Loan repaid	1,452.97	441.25
8. Loan outstanding balance	264.61	1,163.50
b) Transactions with key management person		
1. Rent	6.05	6.05
2. Directors Remuneration	12.60	11.16
3. Interest Paid	109.08	161.73
4. Salary Paid	8.00	0.15

2.15 Earnings per share

Earnings per equity share is computed as under-	31.03.2012	31.03.2011
	Amount	Amount
Numerator - Profit after Tax	7,624,556	9,575,468
Denominator - as the weighted average no of shares at the end of the year.	4,200,000	4,200,000
Basic and diluted EPS	1.82	2.28

SUNIL INDUSTRIES LIMITED

2.16 Taxes on income

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

2.17 Impairment of assets

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

2.18 Provisions and contingencies

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

2.19 Contingent Liabilities not provided for:

Particulars	31-3-2012	31-3-2011
	₹ In Lakhs	₹ In Lakhs
i) Disputed Excise Duty liability	457.85	457.85
ii) Disputed Customs Duty liability of M/s. Sunil Impex, a firm in which the company was an erstwhile partner sharing 80% profit and loss (to the extent of the profit and loss sharing ratio). The honorable CESTAT has vide order dated 6 th August, 2010 set aside the demand raised and ordered review de novo.	336.00	336.00
iii) Bank Guarantee	346.44	297.00

3 In the opinion of the Board :

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

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

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

5.1 Auditors Remuneration :

Particulars	31-3-2012	31-3-2011
	₹ In Lakhs	₹ In Lakhs
a) Statutory Audit Fees	3.86	2.50

5.2 Quantative Information

Raw Materials Consumed (Indigenous)	31-3-2012	31-3-2011
	₹ In Lakhs	₹ In Lakhs
Fibre	205.99	653.36
Yarn	2,863.23	2,074.16
Cloth	357.36	204.09
TOTAL	3,426.58	2,931.61

Stores, Spares, Dyes and Chemicals consumed:	31-3-2012	31-3-2011
	₹ In Lakhs	₹ In Lakhs
Indigenous	347.13	562.84
Imported	13.72	3.99
Total	360.85	566.83

Expenditure in Foreign Currency:	31-3-2012	31-3-2011
	₹ In Lakhs	₹ In Lakhs
C.I.F Value of Stores Imported	9.68	3.25
Foreign Travel	1.59	2.51

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

5.4 Cash flow statement is enclosed as Annexure – 1

6 The Financial Statement for the Year ended 31st March 2011 had been prepared as per then applicable, prerevised Schedule VI of the Companies Act 1956. Consequent to the notification under Companies Act 1956, the Financial Statement for the year ended 31st march 2012 are prepared under revised Schedule VI. Accordingly the previous year's figures have also been reclassified to conform to the year's classification.

FOR V.K. BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the board

Sd/-
R.P. LADDHA
(PARTNER)
Membership No. 48195

Sd/-
V.G. Lath **Chairman & Managing Director**

Sd/-
P.K. Roongta **Executive Director**

Place: Mumbai
Dated: 27th June, 2012

Place: Mumbai
Dated: 27th June, 2012

SUNIL INDUSTRIES LIMITED

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31.03.2012		For the year ended 31.03.2011	
	₹	₹	₹	₹
A) Cash arising from operating activities				
Profit /(Loss) Before Taxation		11,550,913		10,693,956
Add/(Less) :				
Interest paid	13,618,101		17,367,462	
Depreciation	6,212,267		6,972,624	
		19,830,368		24,340,086
		31,381,281		35,034,042
Deduct:				
Interest received	3,858,798		2,531,732	
Dividend Income	486,766		-	
MCD Interest	1,500		-	
Foreign Exchange Gain	8,552		-	
Profit on sale of assets	-	4,355,616	1,594	2,533,326
		27,025,665		32,500,716
OPERATING PROFIT/ (LOSS)BEFORE WORKING CAPITAL CHANGES AND EXTRAORDINARY ITEMS				
Add:				
Increase in Payables Other than Trade payables	5,906,007		-	
Increase in Trade Payables	-		28,082,350	
Decrease In Loans And Advances	-		53,805,119	
Decrease in Trade Receivable	48,955,906		-	
Decrease in Inventories	19,741,885		-	
		74,603,799		81,887,469
		101,629,464		114,388,185
Deduct :				
Increase in Short term Loans And Advances	5,608,897		-	
Increase Long term Loans And Advances	2,285,296		-	
Increase in Trade Receivable	-		5,839,523	
Increase in Inventories	-		49,315,710	
Decrease in Trade Payables	606,224		-	
Decreases In Provisions	923,739		-	
		9,424,156		55,155,233
		92,205,308		59,232,952
Taxes Paid		2,512,994		1,000,000
Net Cash Inflow/ (Outflow) in Course of Operating Activities		89,692,314		58,232,952
B) Cash inflow/(outflow) arising from Investing Activities				
OUTFLOW:				
Acquisition of fixed assets	1,122,314		9,965,611	
Add/(Less): Capital Work in progress	-	1,122,314	1,420,847	11,386,458
Deduct Inflow :				
Sale of Fixed Assets/Machinery Scrapped	-	-	305,000	305,000
Net Cash (Outflow)/Inflow arising from Investing Activities		-1,122,314		-11,081,458
C) Cash flow arising from Financial Activities				
INFLOW:				
Sale of Investments	-		1,803,339	
Dividend Income	486,766		-	
MCD Interest	1,500		-	
Increase of Unsecured Loans	-		128,344,227	
Foreign Exchange Gain	8,552		-	
Interest received	3,858,798		2,531,732	
		4,355,616		132,679,298
OUTFLOW:				
Decrease in Secured Loan	-		142,593,803	
Increase in Investments	1,813,339		-	
Decrease in Unsecured Loans	89,774,627		-	
Interest paid	13,618,101	105,206,067	17,367,462	159,961,265
Net Cash Inflow/ (Outflow) arising from Financing Activities		-100,850,451		-27,281,967

Net Cash Increase/(Decrease) in inflow of cash/cash equivalents “(A+B+C)”	-12,280,451	19,869,527
Add: Opening balance of cash/ cash equivalents	49,583,709	29,714,183
Closing balance of cash/cash equivalents	<u>37,303,258</u>	<u>49,583,710</u>

Notes forming part of the financial statements

As per our attached report of even date

FOR V.K. BESWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-
R.P. LADDHA
(PARTNER)
Membership No. 48195

Sd/-
V.G. Lath Managing Director

Sd/-
P.K. Roongta Executive Director

Place: Mumbai
Dated: 27th June, 2012

Place: Mumbai
Dated: 27th June, 2012

SUNIL INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date

II. Capital raised during the year

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid - up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Trade Deposit Share Application Money

Deffered Tax Liability

Application of Funds

Net Fixed Assets Investments

Net Current Assets Miscellaneous Expenditure

Accumulated Losses Profit & Loss Account

IV. Performance of Company

Turnover Total Expenditure

(including other income of Rs. 5226.94 thousand)

+ - Profit / Loss before tax + - Profit / Loss after tax

Earning per Share in Rs. Dividend @ %

V. Generic Name of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

For and on behalf of the Board

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

Sd/-
P.K. Roongta Executive Director

Place: Mumbai
Dated: 27th June, 2012

SUNIL INDUSTRIES LIMITED
D-8, MIDC, PHASE II, MANPADA ROAD, DOMBIVLI (E), DIST. THANE- 421203

ATTENDANCE SLIP

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the **36TH Annual General Meeting** of the Company at **Regd. Office** of the company on **Saturday the 29th September, 2012** at **11.00 a.m.**

Name of the Shareholder

Signature

Folio No. _____

(Full name of Proxy)

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

_____(TEAR)_____

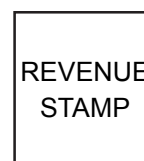
SUNIL INDUSTRIES LIMITED
D-8, MIDC, PHASE II, MANPADA ROAD, DOMBIVLI (E), DIST. THANE- 421203

PROXY FORM

I/We.....of.....in the district of being a member/members of the above named Company hereby appoint of in the district of..... or failing him of In the district of as my / our proxy to vote for me/us on my our behalf at the **36th ANNUAL GENERAL MEETING** of the Company to be held at Regd. Office of the company, on **Saturday the 29th September, 2012** and at any adjournment thereof.

Signed this..... day of, 2012.

Reg. Folio No..... No. of Shares



Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

BOOK-POST

If Undelivered, please return to :
SUNIL INDUSTRIES LIMITED
D-8, MIDC, PHASE II, MANPADA ROAD,
DOMBIVLI (E), DIST. THANE -421 203.