

Date: 27.09.2016

To
BSE Limited
P, J. Towers, Dalal Street,
Mumbai 400001

Sub.: Submission of Annual Report of the company for the financial Year ended 31st March, 2016.

Ref.: Scrip Code: 530795, Stock Code: SUNCITYSY

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose herewith Annual Report of Suncity Synthetics Limited for the financial year ended 31.03.2016.

Kindly take the same on record and confirm.

Thanking you

For Suncity Synthetics Limited



Suresh Dhanraj Kwarjain
Managing Director
(DIN: 00337493)

SUNCITY SYNTHETICS LIMITED



SUNCITY SYNTHETICS LTD.

28th Annual Report

For the Year Ended

31.03.2016

C O N T E N T S

- Board of Directors
- Notice
- Directors Report
- Auditors Report
- Balance Sheet
- Profit & Loss Account
- Schedules
- Cash Flow Statement

REQUEST:

You may desire to have some clarification or additional information on the accounts for the year ended 31st March, 2016 at the ensuing Annual General Meeting. We shall very much appreciate if you will kindly write to us at least ten days in advance to enable us to keep the information ready for you at the meeting,.

Annual General Meeting

Tuesday, 27th September, 2016

11.00 a.m. at

205, Rajhans Complex

Ring Road

SURAT.

BOARD OF DIRECTORS:

Shri Suresh Dhanraj Kawar
Managing Director

Smt. Poonam Jain
Whole Time Director

Shri Deepak Sharma
Independent Director

Smt. Rachna Jain
Independent Director

Bankers:
S.B.B.J. Bank
Jodhpur

Auditors:
N.KUMBHAT & CO
Chartered Accountants
Surat

REGISTERED OFFICE:

205, Rajhans Complex
Ring Road, Surat

Adm. office
1st Floor, C-8 Shastri nagar,
Jodhpur (Raj.) India

Factories

Unit I: E-7, II phase, Boranada
Dist: Jodhpur
Unit II: F-5, II phase, Boranada
Dist: Jodhpur
Unit III: 51, Pipodara Surat

Registrar & Transfer agent
Universal Capital Securities P Ltd.
21, Shakil Nivas
Mahakali Carve Road, Andheri (E)
Mumbai

NOTICE

Notice is hereby given that the 28th Annual General Meeting of Suncity Synthetics Limited (CIN: L17110GJ1988PLC010397) will be held at Registered office of the company at 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat 395002 on Tuesday, 27th September, 2016 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. **Adoption of Financial Statements**

To consider and adopt the audited standalone financial statements of the company for the financial year ended 31st March, 2016 and the reports of the board of Directors and the auditors' thereon.

2. **Re-appointment of director**

To appoint a director in place of Shri Suresh Dhanraj Kavar Jain (DIN: 00337493), who retires by rotation and being eligible, offers himself for re-appointment.

3. **Appointment of Statutory Auditors**

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

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and rules made thereunder, M/s NAMS & Co., Chartered Accountants, Surat having ICAI Firm Registration No. 120880W be and are hereby appointed as Statutory Auditors of the company from the conclusion of this Annual General until the conclusion of the Annual General Meeting of the company to be held in 2021 on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, plus service tax and out-of-pocket expenses incurred by them for the purpose of audit of the accounts of the company.

Resolved further that the members approves appointment of M/s NAMS & Co., made by Board of Directors as statutory auditors for the financial year ended 31.03.2016 to fill up causal vacancy on account of Resignation of the auditors appointed at last Annual General meeting.

By Order of the Board
For Suncity Synthetics Limited

Place: Surat
Date: 05.08.2016

Sd/-
Suresh Dhanraj Kavarjain (DIN: 00337493)
Chairman and Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours before the commencement of the meeting.

2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant board resolution together with the representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
5. Relevant documents referred to in the accompanying notice is open for inspection by the members at the Company's registered office on all working days of the Company, during business hours up to the date of the meeting.
6. The Register of Members and Share Transfer Books of the company will be closed from 21/09/2016 to 27/09/2016, both days inclusive.
7. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent of the Company at the following address:

Universal Capital Securities Private Limited

21 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Carve Road,
Andheri (East), Mumbai 400093

If the shares are held in electronic form, then change of address and change in the Bank Accounts, etc. should be furnished to the respective Depository Participants (DPs).

8. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. **Information and instructions relating to e-voting are as under:**
 - a. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clause (1) & (2) of clause 44 SEBI (LODR) Regulations, 2015, the Company is pleased to provide members' facility to exercise their right to vote at the 28th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by CDSL. It may be noted that this e-voting facility is optional. In order to facilitate those Members, who do not wish to use the e-voting facility, the company is enclosing a Ballot form, resolution passed by members through e-voting or ballot forms are deemed to have been passed as if they have been passed at Annual General Meeting (AGM). The e-voting facility will be available at the link <https://www.evotingindia.com> during the following voting period: Commencement of e-voting: From 9.00 a.m. on Saturday, 24th September, 2016 to 5.00 p.m. on Monday, 26th September, 2016.
 - b. E-voting shall not be allowed beyond 5.00 p.m. on Monday, 26th September, 2016. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Saturday, 24th September, 2016 may cast their vote electronically.
 - c. Members can opt for only one mode of voting i.e. either by Ballot Form or e-voting. In case members cast their votes through both modes, voting done by e-voting shall prevail and vote casted through Ballot Form shall be treated as invalid.
 - d. In case a member is desirous of obtaining a duplicate Ballot Form, he/she may send an e-mail to suncitysyn@gmail.com by mentioning their Folio No. / DP ID and Client ID No. However the duly completed Ballot Form Should reaches the scrutinizer, Mr. Kunjal Dalal C/o Suncity Synthetics Limited, 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat 395002 not later than Monday, 26th September, 2016 (5.00 p.m.). Ballot Forms received after this date will be treated as invalid.

- e. The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- f. The Company has appointed Mr. Kunjal Dalal, Proprietor K. Dalal & Co., Practicing Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

10. Shareholder Instructions For E-Voting

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24/09/2016 at 09.00 a.m. and ends on 26/09/2016 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20/09/2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the |

| | |
|--|---|
| | Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Suncity Synthetics Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

By Order of the Board
For Suncity Synthetics Limited

Place: Surat
Date: 05.08.2016

Sd/-
Suresh Dhanraj Kavarjain (DIN: 00337493)
Chairman and Managing Director

| Information in respect of appointment/re-appointment of directors at Annual General Meeting Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | |
|---|---|
| Name of director | Mr. Suresh Dhanraj Kavarjain |
| Age | 52 Years |
| Qualifications | Chartered Accountant |
| Experience | 27 Years |
| Nature of Expertise | Management |
| Inter-se Relationship | Mr. Suresh Dhanraj Kavarjain is husband of Smt. Poonam Suresh Jain, Whole time director of the Company. |
| Name of the listed entity in which person holds directorship and membership of committee of board | Nil |
| Shareholding of non- executive directors | Not applicable since the appointee is executive director. |

By Order of the Board
For Suncity Synthetics Limited

Place: Surat
Date: 05.08.2016

Sd/-
Suresh Dhanraj Kavarjain (DIN: 00337493)
Chairman and Managing Director

BOARD OF DIRECTOR'S REPORT

To
The Members,
Suncity Synthetics Limited

Your directors present Annual report on the business and operations of the company to gather with Audited Statement of Accounts of the company for the year ending 31st March 2016.

The particulars pursuant to sub section 3 of section 134 of the companies act, 2013 are given below.

a) The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013:

The extract of Annual return is in format MGT-9 for the financial year ended 31/03/2016 is enclosed at "Annexure A" of this report.

b) Number of meetings of the Board:

During the year 2015-16, 5 meetings of Board of Directors were held on 12.05.2015, 28.07.2015, 05.08.2015, 31.10.2015, 08.02.2016.

c) Director's Responsibility Statements:

The director's state that:

- i) In the preparation of annual accounts for the financial year ended 31st march 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The directors had 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 as at 31st March and of the profit/loss of the company for that period;
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The director had prepared the annual accounts on a going concern basis;
- v) The director had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ca) Details of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the central government.

Auditor has not reported any fraud under sub-section (12) of section 143 of The Companies Act, 2013.

d) A Statement on Declaration given by Independent Directors under sub-section (6) of section 149.

The independent Directors have submitted declaration pursuant to Section 149(7) confirming that he meets the criteria of independence pursuant to section 149(6). The statement has been noted by Board of Directors.

e) If Company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matter provided under sub-section (3) of section 178.

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of director and key managerial personal and their remuneration. The policy is disclosed at "Annexure B" in pursuance of provision to section 178(3) of the companies Act 2013.

The Company does not pay any remuneration to the Non-Executive/Independent Directors of the company other than sitting fees for attending the meeting of the Board/Committee. Remuneration to the Whole Time Director/Managing Director is governed by the relevant provisions of the Companies Act, 2013.

f) Explanations or comments by the board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report / by the company secretary in practice in his secretarial audit report.

The statutory auditors have not made any qualifications, reservations or adverse remarks or disclaimer in the report and no explanation or comments by the board is required.

The Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 in prescribed Form MR-3 is attached to as "Annexure C" to this report. The Company has taken note of Qualification, Reservation etc in the Said report and shall make arrangement for necessary compliance in future.

g) Particulars of loans, guarantees or investments under section 186 of Companies act, 2013

Company has not during the year under review (a) given any loan to any person or other body corporate (b) Given any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) Acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, Exceeding sixty per cent of its paid-up share capital, free reserves and

securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more and hence the particulars are not required to be included in this report.

h) Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form (Form AOC-2)

The company has entered into transactions referred to in section 188(1) of The Companies Act, 2013 with related party and as such particulars in form AOC-2 are attached to this report.

FORM AOC-2

Material related party Transactions

- I. Details of contract or arrangements or transactions not at arm's length basis:
There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016 which were not at arm's length basis
- II. Details of material contracts or arrangements or transactions at arm's length basis:
The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2016 are as follows.

| Sr. No. | Name of the Related Party & Relationship | Nature of Transaction | Duration | Salient Terms | Amount |
|---------|--|-------------------------|----------|--|----------|
| 01 | Dhara Fabrics Pvt Ltd-Enterprise owned/controlled by KMP | Rent Paid | Ongoing | On arm's length basis in ordinary course of business | 150000/- |
| 02 | KDS Textiles Pvt Ltd-Enterprise owned/controlled by KMP | Rent Paid | | | 96000/- |
| 03 | Suresh Kawar Jain-Director | Director's Remuneration | | | 600000/- |
| 04 | Poonam Suresh Jain-Director | Director's Remuneration | | | 600000/- |
| 05 | Twinkle Jain-Daughter of Director | Salary & wages Paid | | | 319801/- |
| 06 | Mahendra Kawad-Relative of KMP | Salary & wages Paid | | | 259278/- |

i) The state of Company's affairs

There is no Material change in the state of affairs of the company particularly nature of business being carried out.

The income of the company has decreased from Rs. 4,458 Lacs in the year 2014-15 to Rs. 3,333 Lacs in the year 2015-16. The Company had a loss of Rs.

2.27 Lacs in the year 2014-15 and in the year 2015-16 the loss of the company increased to Rs. 118 Lacs.

The Company has not issued any share capital or Debentures during the year. There is no change in the status of the company or the accounting year.

j) The amount, if any, which it proposes to carry to any reserves

The Directors do not propose to carry any amount to reserves.

k) The amount, if any, which it recommends should be paid by way of dividend

The Directors do not recommend any amount to be paid by way of dividend.

l) Material Changes and commitments, if any, Affecting the Financial Position of the Company which have occurred between the Ends of the financial year of the company to which the financial statements relate and the date of the report.

There are no material changes and/or commitments affecting financial position of the Company occurred after end of financial year till date of this report.

m) The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in such manner as may be prescribed.

Information and details pursuant to Rule 8(3) of the companies (Accounts) Rules, 2014 with respect to above is given below.

(A) CONSERVATION OF ENERGY-

- i) The steps taken or impact on conservation of energy: NIL
- ii) The steps taken by the company for utilizing alternate sources of energy: NIL
- iii) The capital investment on energy conservation equipments: NIL

| | | |
|---------------------------------------|---------|---------|
| A. Power and fuel consumption | 2015-16 | 2014-15 |
| (a) Electricity Purchased Units (KWH) | 3899240 | 3688432 |
| Total amount (Rs. in lacs) | 2986.52 | 2369.70 |
| Rate/Unit (Rs.) | 7.66 | 6.42 |
| Own Generation | | |
| Units (KWH) | 9261 | 16650 |
| Units per liter of diesel oil | 3.90 | 3.80 |
| Rate/Unit (Rs.) | 18.60 | 17.55 |

(B) TECHNOLOGY ABSORPTION-

- i) The efforts made towards technology absorption: Not Applicable
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a. The details of technology imported : Not Applicable
 - b. The year of import: Not Applicable
 - c. Whether the technology been fully absorbed: Not Applicable
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable and
- iv) The expenditure incurred on Research and Development: NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

Foreign Exchange earned (actual inflows during the year): NIL

Foreign Exchange outgo (actual outflows): Rs. 40.02 Lakhs

n) A statement including development and implementation of a Risk Management Policy for the company including identification therein of elements of risk, if any, which in the opinion of the board may threaten the existence of the company;

The Directors do not foresee any risk that may threaten the existence of the company in normal course. The Directors proposes to develop and implement specific Risk Management Policy on identification of any risk.

o) The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

Since the net worth of the company is below Five Hundred crores, Turnover of the company is below one thousand crores, Net Profit of the company is below five crores. The provision of Section 135 of The Companies Act, 2013 is not applicable to the company and hence the company is not required undertake any corporate Social Responsibility (CSR) initiatives.

p) In case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors:

Pursuant to provision of the Companies Act, 2013 the board has carried out the annual performance evaluation of its own performance as well as the evaluation of the Audit Committee and Nomination & Remuneration Committee.

The chairman of Board of directors and the chairman of Nomination & remuneration Committee met all the directors individually to get an overview of

the functioning of the board and its constituents inter alia on the following board criteria i.e. attendance and level of participation, independence of judgment exercised by independent directors, interpersonal relationship etc. Based on the valuable inputs received, the directors are encouraged for effective role in company's management.

q) Such other matters as may be prescribed.

(Pursuant to rule 8(5) of The Companies (Accounts) Rules, 2014)

i) The Financial summary or highlights

The summary of financial Results (standalone) for the year under review is as under:-

| Particulars | As on 31/03/2016 | As on 31/03/2015 |
|---|-----------------------------|-----------------------------|
| Turnover and other income | 333296285.00 | 445786527.00 |
| Gross profit/Loss (-) before Financial Charges & depreciation | 20445212.00 | 33706899.00 |
| Interest and Financial Charges | 17671088.00 | 17791372.00 |
| Profit/Loss(-) before depreciation | 2774124.00 | 15915527.00 |
| Depreciation | 19758778.00 | 20345142.00 |
| Profit /Loss(-) After Tax for the year | -11797067.00 | -227726.00 |

ii) The Change in the nature of business, if any:

There is no Material change in nature of business of the company.

iii) The Details of Directors or key managerial personnel who were appointed or have resigned during the year:

There is no change in Directors and Key Managerial personnel during the year.

The details of Directors and key managerial persons as on date of report are as under:

| Name of Directors | Designation | Date of Appointment |
|--------------------------|---------------------|----------------------------|
| Shri Suresh Kavar Jain | Managing Director | 25.02.1988 |
| Smt. Poonam Suresh Jain | Whole-time Director | 01.12.2010 |
| Smt. Rachana Jain | Director | 31.07.2003 |
| Shri Deepak Sharma | Additional Director | 30.08.2013 |

iv) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;

No company has become or ceases to be subsidiary, joint venture or associate company.

v) The details relating to deposits, covered under Chapter V of the Act,-

(a) Accepted during the year: NIL

(b) Remained unpaid or unclaimed as at the end of the year: NIL

(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

(i) At the beginning of the year: Not Applicable

(ii) Maximum during the year: Not Applicable

(iii) At the end of the year: Not Applicable

vi) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL

vii) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL

viii) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on continuous basis covering all major operation. During the year no Reportable Material weakness in the operation was observed.

| Disclosures under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. | | |
|--|--|-----------------------------------|
| Sr. No. | Requirement under Rule 5(1) | Details |
| (i) | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year. | Suresh Kavar 3% Poonam Jain 3% |
| (ii) | The percentage increase in remuneration of each director, chief financial officer, Chief Executive officer, company secretary or manager, in the financial year. | NIL |
| (iii) | The percentage increase in the median remuneration of employees in the financial year | NIL |
| (iv) | Number of permanent employees on the rolls of the company as on 31 st March, 2016. | 98 |

| | | |
|--------|---|--|
| (v) | The explanation on the relationship between average increase in remuneration and company performance. | N.A. |
| (vi) | Comparison of remuneration of key managerial personnel against performance of the company. | N.A. |
| (vii) | Variations in the market capitalization of the company, price earnings ratio as at the date of the current financial year and the previous financial year and percentage increase over decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of a listed company, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year. | Market Capitalization as on: 31.03.16 Rs. 3.22 Crores 31.03.15 Rs. 4.70 Crores |
| (viii) | Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | NIL |
| (ix) | Comparison of the remuneration of each key managerial personnel against the performance of the company | N.A. |
| (x) | The key parameters for any variable components of remuneration availed by the directors. | N.A. |
| (xi) | The ratio of remuneration highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year. | N.A. |
| (xii) | Affirmation that the remuneration is as per the remuneration policy of the company. | The company affirms remuneration is as per the remuneration policy of the company. |

No Employee of the company has been paid Remuneration in excess of limits laid down in rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence statement showing details thereof is not applicable.

Audit Committee:

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit committee comprises of 3 directors namely Shri Deepak Sharma, Smt. Rachana Jain and Mr. Suresh Kavar Jain. Shri Deepak Sharma

is the Chairman of the Audit Committee. During the year there was no instance where the board had not accepted the Recommendation of Audit Committee.

Vigil Mechanism/Whistle Blower Policy

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014, the Board of Director has adopted vigil mechanism in the form of Whistle Blower Policy through which, its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The said policy provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors.

Shri Deepak Sharma, the Chairman of the Audit Committee can be contacted to report any suspected/confirmed incident of fraud/misconduct on:

Email: suncitysyn@gmail.com

Contact no.: 099833-29877

Your Company hereby affirms that no director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Board of Directors place on records the services of all stakeholders and associates who have co-operated in the working of the Company.

By Order of the Board
For Suncity Synthetics Limited

Place: Surat

Date: 05.08.2016

Sd/-
Suresh Dhanraj Kavarjain (DIN: 00337493)
Chairman and Managing Director

AUDITORS CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of corporate governance by Suncity Synthetics Limited (The Company) for the year ended on 31.03.2015 as stipulated in clause 49 of listing agreement entered into with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliances of conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

Based on such a review and to the best of our information and according to explanation given to us the company has complied with the conditions of corporate governance as stipulated in clause 49 of the said listing agreement.

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

Place: Surat

For: N. Kumbhat & Co.

Chartered Accountants

Date : 30/05/2016

CA Mukesh Khaitan

Partner Mem No. 402824

INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF SUNCITY SYNTHETICS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SUNCITY SYNTHETICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

Opinion

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

- (i) In so far it relates to the Balance Sheet, of the state of affairs of the Company as at March31,2016,and
- (ii) In so far it relates to the Profit and Loss, of the profit/ loss for the year ended on that date;
- (iii) In so far it relates to the Statement of Cash Flow, of the cash flow for the year ended onMarch31,2016;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (order dated 29.03.2016), issued by the Central Government of India in terms of section 143 (11) of the Companies Act, 2013 (hereinafter referred to as 'order'), and on the basis of test check as we considered appropriate and according to information and explanation provided to us, we enclose in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule7of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March31, 2016 from being appointed as a director in terms of Section164(2)of the Act.
 - f. In our opinion the company has adequate internal financial controls system in place and the operating effectiveness of such controls as per size of the business.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There were no ending litigations which would impact its financial position of the company.
- ii. The Company did not have any material foreseeable losses on long-term contracts including derivative.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For and on Behalf of
N Kumbhat & Co.
Chartered Accountants
FRN: 113451W**

**Date: 30.05.2016
Place: Surat**

**CA. Mukesh Khaitan
Partner
Mem: 402824**

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1)
 - (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 in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, apportion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2)
 - (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which have been properly dealt with in the book so accounts were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies

(Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- 7)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

 - (b) According to the information and explanation given to us, there are no dues of income tax, salestax, service tax, duty of customs, duty of excise, value added tax out standing on account of any dispute.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- 10) Based upon the audit procedures performed and the information and explanations given by the management, were port that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

- 12) In our opinion, the Company is not a Nidhi Company. There fore, the provisions

of clause 4 (xii) of the Order are not applicable to the Company.

- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered in to any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45I A of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

**For and on Behalf of
N Kumbhat & Co.
Chartered Accountants
FRN: 113451W**

**Date: 30.05.2016
Place: Surat**

**CA. Mukesh Khaitan
Partner
Mem: 402824**

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Surat - 395002

Balance Sheet as on 31st March, 2016

| Particulars | Note | As at | | (Amount in ₹) | |
|--------------------------------------|------|---------------|---------------------|---------------|---------------------|
| | | 31 March 2016 | | 31 March 2015 | |
| <u>ASSETS</u> | | | | | |
| (1) Non Current Assets | | | | | |
| (a) Property, Plant & Equipment | 1 | 14,13,97,408 | | 15,64,29,508 | |
| (b) Financial assets | | | | | |
| (i) Investments | 2 | 9,50,000 | | 9,50,000 | |
| (ii) Trade Receivables | 3 | 37,98,380 | | 3,76,463 | |
| (iii) Loans | 4 | 31,79,305 | | 26,39,343 | |
| (iv) Others | 5 | 3,29,804 | | 3,03,995 | |
| (c.) Deferred Tax Asset (net) | 16 | 16,29,913 | 15,12,84,810 | (35,84,903) | 15,71,14,406 |
| (2) Current Assets | | | | | |
| (a) Inventories | 6 | 6,29,75,479 | | 4,82,48,693 | |
| (b) Financial Assets | | | | | |
| (i) Trade Receivable | 7 | 1,87,11,109 | | 3,32,46,056 | |
| (ii) Cash and cash equivalents | 8 | 20,51,755 | | 16,39,435 | |
| (iii) Loans | 9 | 50,59,809 | | 64,19,313 | |
| (c.) Current tax Maturities | 10 | 2,500 | | 29,729 | |
| (d) Other current assets | 11 | 84,21,545 | 9,72,22,197 | 80,42,568 | 9,76,25,794 |
| Total Assets | | | 24,85,07,007 | | 25,47,40,200 |
| <u>EQUITY AND LIABILITIES</u> | | | | | |
| <u>EQUITY</u> | | | | | |
| (a) Equity Share capital | 12 | 4,94,58,000 | | 4,94,58,000 | |
| (b) Other Equity | 13 | 2,74,54,906 | 7,69,12,906 | 3,92,50,932 | 8,87,08,932 |
| <u>LIABILITIES</u> | | | | | |
| (1) Non Current Liabilities | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 14 | 5,04,09,300 | | 6,16,52,386 | |
| (ii) Trade Payables | 15 | 3,02,911 | | 37,727 | |
| (b) Deferred tax liabilities (net) | | - | 5,07,12,211 | - | 6,16,90,113 |
| (2) Current Liabilities | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 17 | 8,63,81,527 | | 6,85,74,392 | |
| (ii) Trade Payables | 18 | 96,62,622 | | 1,07,65,321 | |
| (iii) Other Financial Liabilities | 19 | 1,51,63,365 | | 1,53,73,846 | |
| (b) Other Current Liabilities | 20 | 82,39,685 | | 79,97,656 | |
| (c.) Provisions | 21 | 14,34,691 | 12,08,81,890 | 16,29,940 | 10,43,41,155 |
| Total Equity and Liabilities | | | 24,85,07,007 | | 25,47,40,200 |

See accompanying notes to the financial statements.

1 to 32

for **N Kumbhat & Co.**
Chartered Accountants.
(Firm Reg. No. : 113451W)

For And On Behalf Of The Board

CA Mukesh Khaitan
Partner
Mem. No.: 402824

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971928

Place: Surat
Date: 30/05/2016

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Surat - 395002

Statement of profit and loss for the year ended 31st March, 2016

| Particulars | Note | For the year ended 2015-16 | For the year ended 2014-15 |
|---|------|-------------------------------|-------------------------------|
| (Amount in ₹) | | | |
| INCOME | | | |
| Revenue From Operations | 22 | 34,28,43,583 | 45,87,94,143 |
| Less: Excise Duty | | (1,01,35,369) | (1,35,34,204) |
| Other Income | 23 | 5,88,071 | 5,26,588 |
| TOTAL REVENUE | | 33,32,96,285 | 44,57,86,527 |
| EXPENSES | | | |
| Cost of Materials Consumed | 24 | 23,15,36,565 | 30,92,89,413 |
| Purchase of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade | 25 | (1,05,51,848) | 57,92,772 |
| Employment Benefit Expenses | 26 | 2,29,88,696 | 2,48,19,662 |
| Financial Costs | 27 | 1,76,71,088 | 1,77,91,372 |
| Depreciation and Amortization Expenses | 28 | 1,97,58,778 | 2,03,45,142 |
| Other Expenses | 29 | 6,88,77,660 | 7,21,77,781 |
| TOTAL EXPENSES | | 35,02,80,939 | 45,02,16,142 |
| Profit Before Exceptional and Extraordinary Items and Tax | | (1,69,84,654) | (44,29,615) |
| Exceptional Items | | | |
| Profit Before Extraordinary Items and Tax | | (1,69,84,654) | (44,29,615) |
| Extraordinary Items | | | |
| Profit Before Tax | | (1,69,84,654) | (44,29,615) |
| Tax Expense : | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | (51,87,587) | (42,01,889) |
| Profit for the Year | | (1,17,97,067) | (2,27,726) |
| Profit/(Loss) From Discontinuing Operations | | | |
| Tax Expense of Discounting Operations | | | |
| Profit/(Loss) From Discontinuing Operations | | - | - |
| Profit/(Loss) For The Period | | (1,17,97,067) | (2,27,726) |
| Earning Per Equity Share: | 30 | | |
| (1) Basic | | (2.39) | (0.05) |
| (2) Diluted | | (2.39) | (0.05) |
| Balance Brought Forward from Previous Year | | 2,70,26,432 | 3,64,36,249 |
| Add/(Less): Prior Period Items | | - | (91,82,092) |
| Income Tax | | 1,041 | - |
| Balance Transferred to Balance Sheet | | 1,52,30,406 | 2,70,26,431 |

See accompanying notes to the financial statements.

1 to 32

for N Kumbhat & Co.
Chartered Accountants.
(Firm Reg. No. : 113451W)

For And On Behalf Of The Board

CA Mukesh Khaitan
Partner
Mem. No.: 402824

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971928

Place: Surat
Date: 30/05/2016

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Surat - 395002

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2016

(Amount in ₹)

A. CASH FLOW FROM OPERATING ACTIVITIES:

| | | |
|---|------------------|---------------------------|
| Net Profit Before Tax and Extraordinary Items | | (1,69,84,654) |
| Add: | | |
| Depreciation | 1,83,06,806 | |
| Financial Cost | 1,76,71,088 | 3,59,77,894 |
| | | <u>1,89,93,240</u> |
| Less: Other Income (Consider Separately) | | (5,88,071) |
| Cash from Operation | Total - A | <u>1,84,05,169</u> |
| Less: Adjustment for Working Capital Changes | | |
| Add/(less): | | |
| Decrease in Other current Liabilities | 2,42,029 | |
| Decrease in Trade Payable | (8,37,515) | |
| Increase in Other financial Liabilities | (2,10,481) | |
| Decrease in Inventories | (1,47,26,786) | |
| Decrease in other Current Assets | (3,78,977) | |
| Decrease in other financial assets | (25,809) | |
| Increase in short term provision | (1,95,249) | |
| Increase in Trade Receivables | 1,11,13,030 | (50,19,758) |
| | Total - B | <u>(50,19,758)</u> |
| Cash Generated from Operations after Working Capital Changes (A + B) | (C) | 1,33,85,411 |
| Add: Income Tax refund | | 1,041 |
| Net Cash Flow from Operating Activities | (D) | <u><u>1,33,86,452</u></u> |

B. Cash Flow from Investing Activities

| | | |
|--|-------------|---------------------------|
| Add: | | |
| Interest Received | 5,88,071 | |
| Increase in long term Loans and Advances | (5,39,962) | 48,109 |
| Less: | | |
| Realisation of Short Term Loans and Advances | 13,59,504 | |
| Purchase of Fixed Assets | (32,74,706) | (19,15,202) |
| Net Cash Flow from Investing Activities | (E) | <u><u>(18,67,093)</u></u> |

C. Cash Flow from Financing Activities

| | | |
|--|---------------|-----------------------------|
| Add: Increase in Working Capital Facilitates | 1,78,07,135 | |
| Less: Decrease in long term borrowings | (1,12,43,086) | |
| Less: Finance Cost | (1,76,71,088) | (1,11,07,039) |
| Net Cash Flow from Financing Activities | (F) | <u><u>(1,11,07,039)</u></u> |

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Surat - 395002

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2016

| | |
|--|------------------|
| Net Changes in Cash & Cash Equivalents (D+E+F) | 4,12,320 |
| Opening Balance of Cash & Cash Equivalents | 16,39,435 |
| Closing Balance of Cash & Cash Equivalents | 20,51,755 |

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of **SUNCITY SYNTHETICS LTD.** for the period ended 31st March, 2016. The Statement has been prepared by the Company in accordance with the requirements of listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of March 31, 2016 to the members of the Company.

As per our report of even date attached.

for **N Kumbhat & Co.**
Chartered Accountants.
(Firm Reg. No. : 113451W)

For And On Behalf Of The Board

CA Mukesh Khaitan
Partner
Mem. No.: 402824

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971928

Place: Surat
Date: 30/05/2016

Notes on Financial Statements for the Year ended 31 March, 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2 Investments

| | As At 31 March 2016 | As At 31 March 2015 |
|--|------------------------|------------------------|
| (a) Investment in equity Shares | 9,40,000 | 9,40,000 |
| (b) Investment in Government or trust securities | 10,000 | 10,000 |
| | 9,50,000 | 9,50,000 |

2.1 Company has invested equity shares of following companies

| | As At 31 March 2016 | As At 31 March 2015 |
|---|------------------------|------------------------|
| Dhara Fabrics Pvt. Ltd. <i>(70,000 Equity Shares (Previous Year - 70,000) of ₹10/- each</i> | 7,00,000 | 7,00,000 |
| Gujarat State Financial Corporation <i>(2,800 Equity Shares (Previous Year - 2,800) of ₹10/- each at premium of ₹ ___/- , partly paid up ₹ ___/-)</i> | 30,000 | 30,000 |
| Moti Finance Limited <i>(21,000 Equity Shares (Previous Year - 21,000) of ₹10/- each</i> | 2,10,000 | 2,10,000 |
| | 9,40,000 | 9,40,000 |

2.2 Nature and extent of investments in

| | Subsidiaries | Associates | Joint Venture | Others |
|--|--------------|------------|---------------|------------|
| (a) Investment in equity Shares | - | 7,00,000 | - | 2,40,000 |
| | | (7,00,000) | | (2,40,000) |
| (b) Investment in Government or trust securities | - | - | - | 10,000 |
| | | | | (10,000) |
| | - | 7,00,000 | - | 2,50,000 |

* Figures in the bracket relates to the previous year

2.3 Book Value of Investments

| | B.V. of quoted investment | M.V. of quoted investment | B.V. of unquoted investment | Total |
|--|---------------------------|---------------------------|-----------------------------|----------|
| (a) Investment in equity Shares | - | - | 9,40,000 | 9,40,000 |
| (b) Investment in Government or trust securities | - | - | 10,000 | 10,000 |
| | - | - | 9,50,000 | 9,50,000 |

3 Trade Receivables

| | As At 31 March 2016 | As At 31 March 2015 |
|--|------------------------|------------------------|
| (a) Unsecured considered good and <i>(Outstanding for the period 1 year and more)</i> | 37,98,380 | 3,76,463 |
| Less: - Provision for bad and doubtful debts | - | - |
| | 37,98,380 | 3,76,463 |

4 Loans

| | As At 31 March 2016 | As At 31 March 2015 |
|-----------------------------------|------------------------|------------------------|
| (a) Security deposit | | |
| (i) Unsecured considered good and | 30,30,188 | 24,43,495 |
| (b) Other loans | | |
| (i) Unsecured considered good | | |
| Income Tax Refundable | | |
| TDS Receivable | 63,766 | 1,09,665 |
| TCS Receivable | 85,351 | 86,183 |
| Less: Provision for Tax | - | - |
| | 1,49,117 | 1,95,848 |
| | 31,79,305 | 26,39,343 |

Notes on Financial Statements for the Year ended 31 March, 2016

| 5 Other financial assets | As At 31 March 2016 | As At 31 March 2015 |
|--|------------------------|------------------------|
| Bank deposits with more than 12 months maturity | | |
| Fixed deposit with SBBJ | 3,29,804 | 3,03,995 |
| | 3,29,804 | 3,03,995 |
| 6 Inventories : | As At 31 March 2016 | As At 31 March 2015 |
| Raw Material | 4,24,02,578 | 3,85,22,500 |
| Finished Goods | 1,88,87,186 | 83,50,788 |
| Stores, spares and paking material | 15,13,215 | 12,18,355 |
| Others (Wastage) | 1,72,500 | 1,57,050 |
| | 6,29,75,479 | 4,82,48,693 |
| 7 Trade Receivables | As At 31 March 2016 | As At 31 March 2015 |
| (a) Unsecured considered good and | | |
| Outstanding for the period 180 days or more | - | 10,02,337 |
| Others | 1,87,11,109 | 3,22,43,719 |
| Less: - Provision for bad and doubtful debts | - | - |
| | 1,87,11,109 | 3,32,46,056 |
| 8 Cash and cash equivalents | As At 31 March 2016 | As At 31 March 2015 |
| (a) Balances with Banks | | |
| State Bank of Bikaner & Jaipur | 13,168 | 4,593 |
| Uco Bank | 19,520 | - |
| | 32,688 | 4,593 |
| (b) Cash on hand | 20,19,067 | 16,34,842 |
| <i>(As certified by the Management)</i> | 20,51,755 | 16,39,435 |
| 9 Loans | As At 31 March 2016 | As At 31 March 2015 |
| (a) Other loans | | |
| (i) Unsecured considered good | | |
| Advances to supplier | 38,34,183 | 38,67,328 |
| Other loans and advances | 12,25,626 | 25,51,985 |
| | 50,59,809 | 64,19,313 |
| | 50,59,809 | 64,19,313.00 |
| 9.1 Loans due by director or officer of the company | As At 31 March 2016 | As At 31 March 2015 |
| Due by director of the Company | - | - |
| Due by officer of the Company | - | - |
| | - | - |
| 10 Current Tax Maturities | As At 31 March 2016 | As At 31 March 2015 |
| Deferred Tax Asset | | |
| On account of Disallowances under section 43B | 2,500 | 29,729 |
| | 2,500 | 29,729 |

Notes on Financial Statements for the Year ended 31 March, 2016

| 11 Other current assets | As At 31 March 2016 | | As At 31 March 2015 | |
|---------------------------------|------------------------|--|------------------------|--|
| (a) Duties and Taxes receivable | 45,12,241 | | 24,33,024 | |
| (b) Prepaid Expenses | 96,747 | | 15,610 | |
| (c.) Interest Rebate receivable | 9,08,611 | | 12,38,016 | |
| (d) Pre-operative Expenses | 43,55,918 | | 58,07,890 | |
| Less: - Written off | (14,51,972) | | (14,51,972) | |
| | 84,21,545 | | 80,42,568 | |

| 12 Share Capital : | As At 31 March 2016 | | As At 31 March 2015 | |
|---|------------------------|--|------------------------|--|
| Authorised Share Capital (70,00,000 Equity Shares of ₹. 10/- (Each) <i>(Previous Year 70,00,000 Equity Shares of ₹. 10/- Each.)</i> | 7,00,00,000 | | 7,00,00,000 | |
| | 7,00,00,000 | | 7,00,00,000 | |
| Issued, Subscribed & Paid-up Share Capital 49,45,800 Equity share of ₹. 10/- Each fully paid. <i>(Previous Year 49,45,800 Equity Shares of ₹. 10/- Each Fully paid)</i> | 4,94,58,000 | | 4,94,58,000 | |
| | 4,94,58,000 | | 4,94,58,000 | |

12.1 Nil Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.

12.2 Nil Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payment being received in cash.

12.3 Nil Shares out of the issued, subscribed and paid up share capital were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS)

12.4 Nil Shares out of the issued, subscribed and paid up share capital held by Subsidiaries do not have Voting Rights and are not eligible for Bonus Shares.

12.5 The details of Shareholders holding more than 5% shares :

| Name of Share Holders | As At 31 March 2016 | | As At 31 March 2015 | |
|--------------------------------|------------------------|--------|------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Poonam Suresh Kawar | 6,74,450 | 13.64 | 6,74,450 | 13.64 |
| Suresh Dhanraj Kawarjain (HUF) | 6,21,846 | 12.57 | 6,21,846 | 12.57 |
| Twinkle Jain | 6,74,036 | 13.63 | 6,74,036 | 13.63 |

12.6 The reconciliation of the number of shares outstanding is set out below :

| Name of Share Holders | As At 31 March 2016 No. of Shares | | As At 31 March 2015 No. of Shares | |
|---|---|--|---|--|
| Equity Shares at the beginning of the year | 49,45,800 | | 49,45,800 | |
| Add : Shares issued on exercise of Employee Stock Options | - | | - | |
| Less : Shares cancelled on buy back of Equity Shares | - | | - | |
| Equity Shares at the end of the year | 49,45,800 | | 49,45,800 | |

| 13 Other Equity | As At 31 March 2016 | | As At 31 March 2015 | |
|--|------------------------|--|------------------------|--|
| Share Forfeiture Reserve | 82,37,500 | | 82,37,500 | |
| Cash Subsidy | 39,87,000 | | 39,87,000 | |
| Profit & Loss A/c. | | | | |
| As per Last Balance sheet | 2,70,26,432 | | 3,64,36,249 | |
| Less: Loss for the Year | (1,17,97,067) | | (2,27,725) | |
| Less: Income Tax adjustments for earlier years | 1,041 | | 3,62,08,524 | |
| Adjustment for: - Depreciation as per Sch. II | - | | (91,82,092) | |
| | 2,74,54,906 | | 3,92,50,932 | |

Notes on Financial Statements for the Year ended 31 March, 2016

14 Borrowings

(a) Secured term loans from Bank

State Bank of Bikaner and Jaipur TL-1

(carrying interest @ 2.00% above Base Rate i.e. 11.50% per annum, repayable in 78 equal monthly instalment of ₹6,41,000/- each)

State Bank of Bikaner & Jaipur-TL-III

(carrying interest @ 2.00% above Base Rate i.e. 11.50% per annum, repayable in 72 equal monthly instalment of ₹2,77,500/- each)

State Bank of Bikaner & Jaipur-TL-IV

(carrying interest @ 2.00% above Base Rate i.e. 11.50% per annum for the first year and rate as per credit rating for the remaining period repayable in 71 equal monthly instalment of ₹2,43,000/- each and 72nd Installment of ₹ 2,47,000/-)

Lease Finance

Volkswagen Finance (AUDI)

(carrying interest @ 10.75% per annum, repayable in 60 equated monthly instalment of ₹ 49,722/- each)

Sundram Finance (Mini Truck)

(carrying Flat interest @ 6.03% per annum, repayable in 36 equated monthly instalment of ₹ 27,900/- each)

(b) Unsecured Loans

From Directors

From Related Parties

From Others

| | As At 31 March 2016 | | As At 31 March 2015 | |
|---------------------------------------|------------------------|--------------------|------------------------|--------------------|
| | Non Current | Current | Non Current | Current |
| State Bank of Bikaner and Jaipur TL-1 | 1,92,32,461 | 76,92,000 | 2,59,41,893 | 76,92,000 |
| State Bank of Bikaner & Jaipur-TL-III | 75,92,579 | 33,30,000 | 1,08,99,503 | 33,30,000 |
| State Bank of Bikaner & Jaipur-TL-IV | 96,55,669 | 29,16,000 | 1,22,64,704 | 29,16,000 |
| Volkswagen Finance (AUDI) | 11,87,740 | 4,42,770 | 16,30,510 | 3,97,840 |
| Sundram Finance (Mini Truck) | 64,865 | 2,85,048 | 3,54,050 | 2,80,916 |
| From Directors | 9,61,740 | - | 15,87,110 | - |
| From Related Parties | 1,13,72,597 | - | 84,82,967 | - |
| From Others | 3,41,649 | - | 4,91,649 | - |
| | 5,04,09,300 | 1,46,65,818 | 6,16,52,386 | 1,46,16,756 |

14.1 Maturity Profile of Unsecured Term Loans are as set out below :

| Particulars | Maturity Profile | | | |
|---------------------------------------|------------------|-------------|--------------|----------------|
| | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years |
| Secured: | | | | |
| Term Loans - From Bank | | | | |
| State Bank of Bikaner and Jaipur TL-1 | 76,92,000 | 76,92,000 | 41,13,179 | - |
| State Bank of Bikaner & Jaipur-TL-III | 33,30,000 | 33,30,000 | 10,41,755.00 | - |
| State Bank of Bikaner & Jaipur-TL-IV | 29,16,000 | 29,16,000 | 29,16,000.00 | 10,31,322.00 |
| Lease finance | | | | |
| Volkswagen Finance (AUDI) | 4,92,783.00 | 5,48,445.00 | 1,46,512.00 | - |
| Sundram Finance (Mini Truck) | 64,865.00 | - | - | - |
| Unsecured: | | | | |
| Loans From Directors | - | - | - | 9,61,740.00 |
| Loans From Related Parties | - | - | - | 1,13,72,597.00 |
| Other Unsecured Loans | - | - | - | 3,41,649 |

15 Trade Payables

Outstanding for more than one year

a) Unsecured, Considered Good :

| | As At 31 March 2016 | As At 31 March 2015 |
|---------------------------------|------------------------|------------------------|
| a) Unsecured, Considered Good : | 3,02,911 | 37,727 |
| | 3,02,911 | 37,727 |

Notes on Financial Statements for the Year ended 31 March, 2016

| | | |
|--|--------------------------------|--------------------------------|
| 16 Deferred tax liabilities (net) | As At 31 March 2016 | As At 31 March 2015 |
| Deffered Tax Liability | | |
| Related to Depreciation of Fixed assets | 75,92,175 | 81,51,281 |
| Related to Carried Forward loss and Unabsorbed Dep. | (92,22,088) (16,29,913) | (45,66,378) 35,84,903 |
| | (16,29,913) | 35,84,903 |
| 17 Borrowings | As At 31 March 2016 | As At 31 March 2015 |
| (a) Loans repayable on demand | | |
| (i) From banks | | |
| Secured (State bank of Bikaner & Jaipur) <i>(at 1.55% above Base Rate, Presently Effective 11.25%)</i> | 8,37,75,148 | 6,85,74,392 |
| Standline Credit facility <i>(at 2.55% above Base Rate, Presently Effective 12.25%)</i> | 26,06,379 | - |
| | 8,63,81,527 | 6,85,74,392 |
| 17.1 The Working capital facilities [Both Fund and Non Fund] availed from the bank, are secured by way of first charge ranking pari passu on current Assets i.e. Hypothecation of Stocks of Raw Materials, Work-in-Progress, Finished Goods, Stores & Spares and Book Debts and 2nd charge on Fixed Assets of the Company [Except specifically charged for Term Loan] | | |
| 18 Trade Payables | As At 31 March 2016 | As At 31 March 2015 |
| <u>Outstanding for less than one year</u> | | |
| a) Unsecured, Considered Good : | 96,62,622 | 1,07,65,321 |
| | 96,62,622 | 1,07,65,321 |
| 19 Other financial liabilities | As At 31 March 2016 | As At 31 March 2015 |
| (a) Current maturities of long term debt | 1,39,38,000 | 1,39,38,000 |
| (b) Current maturities of finance lease obligations | 7,27,818 | 7,49,744 |
| (c.) Interest accrued on term loans | 4,97,547 | 6,86,102 |
| | 1,51,63,365 | 1,53,73,846 |
| 20 Other Current liabilities | As At 31 March 2016 | As At 31 March 2015 |
| (a) Creditors for Expenses | 80,83,400 | 72,64,828 |
| (b) Statutory Dues | 1,56,285 | 7,32,828 |
| | 82,39,685 | 79,97,656 |
| 21 Provisions | As At 31 March 2016 | As At 31 March 2015 |
| Provision for Employee Benefit | | |
| Provision for Salary | 14,15,965 | 14,64,520 |
| Provision for PF and ESIC | 18,726 | 1,65,420 |
| | 14,34,691 | 16,29,940 |

Notes on Financial Statements for the Year ended 31 March, 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

| 22 Revenue From Operations : | 2015-16 | 2014-15 |
|---|----------------------------|----------------------------|
| Sales of Products | | |
| Sales-Nylon Granules (JDR) | 3,40,08,065 | 7,21,84,650 |
| Sales (Nylon Staple Fibre) | 4,72,267 | 19,125 |
| Sales-PSF (JDR) | 31,30,44,989 | 39,05,54,679 |
| Sales-Nylon Waste (JDR) | 7,02,470 | 67,687 |
| Sales (Surat) | - | 47,28,394 |
| Sales Waste (PSF) | 2,18,350 | 8,65,360 |
| Less: - | | |
| Sales Return and discount | (64,21,155) | (1,09,94,643) |
| | <u>34,20,24,986</u> | <u>45,74,25,252</u> |
| Other operating revenues | | |
| Interest Received On Late Payment | 1,52,214 | 8,61,278 |
| Freight & Forwarding | 4,01,850 | 5,07,613 |
| VAT Refund | 2,64,533 | - |
| | <u>8,18,597</u> | <u>13,68,891</u> |
| | <u>34,28,43,583</u> | <u>45,87,94,143</u> |
| 23 Other Income : | 2015-16 | 2014-15 |
| <u>Interest income:</u> | | |
| Interest Received on Fixed Deposit | 28,679 | 42,286 |
| Interest Received on Loan | 1,21,660 | 3,26,997 |
| Interest On Security Deposit | 1,70,739 | 1,57,305 |
| Interest in IT Refund | 2,66,993 | - |
| | <u>5,88,071</u> | <u>5,26,588</u> |
| | <u>5,88,071</u> | <u>5,26,588</u> |
| 24 Cost of Raw material Consumed | 2015-16 | 2014-15 |
| Raw Material Consumed | | |
| Purchase Nylon & Nylon Waste | | |
| Opening Stock | 1,37,81,175 | 1,96,95,180 |
| Add: Purchases | 2,86,28,502 | 3,89,98,777 |
| Less: Closing Stock | (1,13,48,850) | (1,37,81,175) |
| | <u>3,10,60,827</u> | <u>4,49,12,782</u> |
| Purchase (NSF) | | |
| Opening Stock | 16,75,000 | - |
| Add: Purchases | 21,80,621 | 25,52,130 |
| Less: Closing Stock | (37,90,368) | (16,75,000) |
| | <u>65,253</u> | <u>8,77,130</u> |
| Purchase Pet & Pet Waste | | |
| Opening Stock | 2,30,66,325 | 1,83,16,675 |
| Add: Purchases | 20,79,89,656 | 27,09,30,709 |
| Less: Closing Stock | (2,72,63,360) | (2,30,66,325) |
| | <u>20,37,92,621</u> | <u>26,61,81,059</u> |
| Less: Purchase returns and discount | (33,82,136) | (26,81,558) |
| | <u>23,15,36,565</u> | <u>30,92,89,413</u> |

Notes on Financial Statements for the Year ended 31 March, 2016

| | | | | | |
|-----------|--|----------------------|---------------|--------------------|-----------|
| 25 | Changes in inventories | | | | |
| | | 2015-16 | | 2014-15 | |
| | Stock of Nylon granules | | | | |
| | Opening Balance | 22,07,500 | | 32,55,000 | |
| | Closing Balance | (10,62,500) | 11,45,000 | (22,07,500) | 10,47,500 |
| | Stock of Fiber | | | | |
| | Opening Balance | 61,43,288 | | 1,09,73,160 | |
| | Closing Balance | (1,78,24,686) | (1,16,81,398) | (61,43,288) | 48,29,872 |
| | Stock of Lump wastage | | | | |
| | Opening Balance | 1,57,050 | | 72,450 | |
| | Closing Balance | (1,72,500) | (15,450) | (1,57,050) | (84,600) |
| | | (1,05,51,848) | | 57,92,772 | |
| 26 | Employment Benefit Expenses : | | | | |
| | | 2015-16 | | 2014-15 | |
| | Director's Remuneration | 12,00,000 | | 12,00,000 | |
| | Provident Fund | 2,10,979 | | 1,54,732 | |
| | Salary & Wages Expenses | 2,13,43,392 | | 2,31,83,747 | |
| | Staff Welfare Expenses | 1,86,100 | | 1,83,050 | |
| | ESIC Expenses | 48,225 | | 98,133 | |
| | | 2,29,88,696 | | 2,48,19,662 | |
| 27 | Financial Cost : | | | | |
| | | 2015-16 | | 2014-15 | |
| | Bank Charges & Commission | 3,93,452 | | 3,27,404 | |
| | Loan Processing Charges | 3,96,700 | | - | |
| | Interest on car & auto loan | 2,50,945 | | 2,18,776 | |
| | Bank interest | 1,59,52,623 | | 1,64,81,224 | |
| | Interest on Unsecured Loan | 6,77,368 | | 7,63,968 | |
| | | 1,76,71,088 | | 1,77,91,372 | |
| 28 | Depreciation & Amortised Cost : | | | | |
| | | 2015-16 | | 2014-15 | |
| | Depreciation | 1,83,06,806 | | 1,88,93,170 | |
| | Pre-operative expenses amortization | 14,51,972 | | 14,51,972 | |
| | | 1,97,58,778 | | 2,03,45,142 | |
| 29 | Other Expenses : | | | | |
| | | 2015-16 | | 2014-15 | |
| | Manufacturing Expenses | | | | |
| | <u>Consumables, Stores and Spare:</u> | | | | |
| | Opening Stock | 12,18,355 | | 4,85,380 | |
| | Add: Purchases | 1,71,17,164 | | 1,83,22,112 | |
| | Less: - Closing Stock | (15,13,215) | | (12,18,355) | |
| | | 1,68,22,304 | | 1,75,89,137 | |

Notes on Financial Statements for the Year ended 31 March, 2016

Direct Expenses:-

| | | |
|------------------------------|--------------------|--------------------|
| Laboratory Exp | 1,87,333 | 62,910 |
| Freight Inward Expenses | 59,64,011 | 45,34,747 |
| Custom & Port Charges | 3,85,568 | 22,13,313 |
| Excise Duty | - | 5,978 |
| Power & Fuel Charges | 3,14,33,491 | 2,51,97,704 |
| Repair & Maintenance Charges | 85,78,827 | 1,12,75,213 |
| Water Expenses | 4,16,213 | 8,42,395 |
| | 4,69,65,443 | 4,41,32,260 |
| Total of Direct Exp | 6,37,87,747 | 6,17,21,397 |

Indirect Expenses

| | | |
|---|--------------------|--------------------|
| Advertisement Expenses | 33,684 | 20,556 |
| Auditors Remuneration | 51,525 | 51,300 |
| Conveyance, Travel & Vehicle Expenses | 2,04,468 | 2,29,845 |
| Donation | - | 5,000 |
| Insurance Charges | 2,29,865 | 2,18,496 |
| Interest & Penalty Paid | - | 2,23,504 |
| Legal, Professional & Consultancy Fees | 3,51,774 | 1,93,576 |
| Listing Fees | 2,24,720 | 1,12,360 |
| Membership Fees | 41,236 | 31,967 |
| Office Expenses | 1,98,830 | 2,89,754 |
| Printing & Stationery Expenses | - | 1,05,313 |
| Repair & Maintenance Charges (Building) | 1,45,484 | 2,48,749 |
| Sales Commission Expenses | 25,06,013 | 14,33,612 |
| Service Tax | 3,79,882 | 5,11,470 |
| Telephone, Postage & Courier Expenses | 2,07,712 | 56,698 |
| Transportation Charges | - | 59,90,811 |
| Vat Expenses | - | 56,018 |
| | 50,89,913 | 1,04,56,384 |
| Total of Indirect Exp | 50,89,913 | 1,04,56,384 |
| | 6,88,77,660 | 7,21,77,781 |

29.1 Payment to Auditors as

| Particulars | 2015-16 | 2014-15 |
|-------------------------|---------|---------|
| For Statutory Audit | 30,000 | 30,000 |
| For Tax Audit | 15,000 | 15,000 |
| For Taxation Matter | - | - |
| For Company Law Matters | - | - |
| Towards Service Tax | 6,525 | 6,300 |
| Total | 51,525 | 51,300 |

30 EARNINGS PER SHARE

(Amount In ₹)

| Particulars | 2015-16 | 2014-15 |
|---|---------------|------------|
| (1) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | (1,17,97,067) | (2,27,726) |
| (2) Weighted Average number of equity shares used as denominator for calculating EPS | 49,45,800 | 49,45,800 |
| (3) Basic and Diluted Earnings per share (₹) | (2.39) | (0.05) |
| (4) Face Value per equity share (₹) | 10 | 10 |

Notes on Financial Statements for the Year ended 31 March, 2016

31 Related Party Disclosure

A. Key Management Personals and their relatives

(i) Enterprises Owned or Controlled By KMP's

DHARA FABRICS PVT. LTD.

K D S TEXTILES PVT LTD.

(ii) Key Management Personnel

POONAM SURESH JAIN

SURESH DHANRAJ JAIN

(iii) Relatives of Key Management Personnel

AJAY LODHA

AJAY LODHA HUF

J. K. KOTHARI

TWINKLE JAIN

MOHAN SINGH SANJAY KUMAR HUF

SURESH KAWAD HUF

SHAKUNTALA LODHA

ANITA JAIN

SAMYAK JAIN

SANJAY PATHAK

MAHENDRA KAWAD

RAMESH KAWAD

B. Transaction Entered into with Related Parties with Nature of Relation

| Particulars | Transaction entered into | |
|---|--------------------------|------------------|
| | Current Year | Previous Year |
| Enterprises Owned or Controlled By KMP's | 2,46,000 | 3,96,000 |
| Rent Paid | 2,46,000 | 3,96,000 |
| Key Management Personnel | 1,14,95,370 | 30,92,890 |
| Directors Remuneration | 12,00,000 | 12,00,000 |
| Unsecured Loan Obtained | 48,35,000 | 13,40,000 |
| Unsecured Loan repaid | 54,60,370 | 5,52,890 |
| Relatives of Key Management Personnel | 67,96,447 | 14,47,535 |
| Interest Income | 60,000 | 2,00,867 |
| Salary and Wages | 5,79,079 | 3,00,000 |
| Interest Paid | 6,77,368 | 7,61,668 |
| Loans & Advances Repaid | 12,60,000 | - |
| Unsecured Loan Obtained | 20,50,000 | 1,50,000 |
| Unsecured Loan repaid | 21,70,000 | 35,000 |
| Grand Total | 1,85,37,817 | 49,36,425 |

C. Outstanding Balances as on Last day of Financial Year for the Related Parties

| | O/s Balances of | |
|--|--------------------|--------------------|
| | Current Year | Previous Year |
| Enterprise Owned or Controlled by KMP's | 18,61,450 | 19,53,800 |
| Trades & Other Payable | - | - |
| Trade Receivables | 12,86,450 | 13,78,800 |
| Unsecured Loans | 5,75,000 | 5,75,000 |
| Key Managerial Personnel | 9,61,740 | 15,87,110 |
| Trades & Other Payable | - | - |
| Unsecured Loans | 9,61,740 | 15,87,110 |
| Relatives of Key Management Personnel | 89,57,080 | 98,97,728 |
| Loans & Advances | 4,09,483 | 18,74,761 |
| Unsecured Loans | 85,47,597 | 80,22,967 |
| Grand Total | 1,17,80,270 | 1,34,38,638 |

Notes on Financial Statements for the Year ended 31 March, 2016

32 CONTINGENT LIABILITIES AND COMMITMENTS

As informed by the Management of the company and as per our observation under audit, no Contingent liabilities and commitments against the company is pending on which provision is required to be made or deferred for the current financial year.

for N Kumbhat & Co.
Chartered Accountants.
(Firm Reg. No. : 113451W)

For And On Behalf Of The Board

CA Mukesh Khaitan
Partner
Mem. No.: 402824

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971928

Place: Surat

Date: 30/05/2016

SUNCITY SYNTHETICS LIMITED

Notes on financial statement for the year ended 31st March, 2016

1 Property, Plant & Equipment

| PARTICULARS | GROSS BLOCK | | | ACCUMULATED DEPRECIATION | | | WRITTEN DOWN VALUE | | | |
|--|---------------|--------------------|-----------------|--------------------------|------------------|--------------------------|---------------------------|-----------------|--------------|--------------|
| | GROSS OPENING | ADDITION OF ASSETS | GROSS DEDUCTION | GROSS TOTAL (RS.) | OP. DEPRECIATION | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | CLOSING BALANCE | CLOSING WDV | OPENING WDV |
| LAND | 1,73,37,406 | 5,150 | - | 1,73,42,556 | - | - | - | - | 1,73,42,556 | 1,73,37,406 |
| LAND | 1,73,37,406 | 5,150 | - | 1,73,42,556 | - | - | - | - | 1,73,42,556 | 1,73,37,406 |
| BUILDING | 3,34,56,788 | - | - | 3,34,56,788 | 48,12,779 | 10,85,533 | - | 58,98,312 | 2,75,58,476 | 2,86,44,009 |
| OFFICE AT SURAT | 5,00,000 | - | - | 5,00,000 | 1,53,365 | 2,21,160 | - | 3,74,525 | 1,25,475 | 3,46,635 |
| BUILDING PET UNIT & ETP PLANT | 39,91,685 | - | - | 39,91,685 | 3,66,338 | 7,22,901 | - | 10,89,239 | 29,02,446 | 36,25,347 |
| BUILDING (FIBER UNIT) | 2,20,87,453 | - | - | 2,20,87,453 | 11,32,751 | 1,25,962 | - | 12,58,713 | 2,08,28,740 | 2,09,54,702 |
| BUILDING | 68,77,650 | - | - | 68,77,650 | 31,60,325 | 15,510 | - | 31,75,835 | 37,01,815 | 37,17,325 |
| PLANT AND MACHINERY | 16,14,43,909 | 34,35,193 | 2,77,324 | 16,46,01,778 | 6,84,54,378 | 1,48,18,732 | - | 8,32,73,110 | 8,13,28,668 | 9,29,89,531 |
| SOLAR DRYER | 10,02,189 | - | - | 10,02,189 | 10,02,189 | - | - | 10,02,189 | - | - |
| PLANT AND MACHINERY (FIBRE UNIT) | 7,46,23,469 | 34,35,193 | 2,77,324 | 7,77,81,338 | 1,18,26,696 | 94,87,674 | - | 2,13,14,370 | 5,64,66,968 | 6,27,96,773 |
| PLANT & MACHINERY (PET) | 3,24,67,778 | - | - | 3,24,67,778 | 76,55,428 | 43,42,716 | - | 1,19,98,144 | 2,04,69,634 | 2,48,12,350 |
| PLANT & MACHINERY | 5,33,50,473 | - | - | 5,33,50,473 | 4,79,70,065 | 9,88,342 | - | 4,89,58,407 | 43,92,066 | 53,80,408 |
| MOTOR VEHICLES | 1,20,36,947 | - | - | 1,20,36,947 | 66,78,333 | 8,25,575 | - | 75,03,908 | 45,33,039 | 53,58,614 |
| Wagon R Old Car Model 2007 | 1,53,000 | - | - | 1,53,000 | 1,45,350 | - | - | 1,45,350 | 7,650 | 7,650 |
| Vehicles | 78,41,764 | - | - | 78,41,764 | 59,82,021 | 3,70,177 | - | 63,52,198 | 14,89,566 | 18,59,743 |
| SWARAJ MAZDA | 11,05,000 | - | - | 11,05,000 | 97,066 | 1,31,219 | - | 2,28,285 | 8,76,715 | 10,07,934 |
| HERO SPLENDAR | 47,240 | - | - | 47,240 | 4,094 | 4,488 | - | 8,582 | 38,658 | 43,146 |
| AUDI Q3 | 28,89,943 | - | - | 28,89,943 | 4,49,802 | 3,19,691 | - | 7,69,493 | 21,20,450 | 24,40,141 |
| OFFICE EQUIPMENTS | 11,21,760 | 1,11,685 | - | 12,33,445 | 7,62,692 | 1,05,746 | - | 8,68,438 | 3,65,007 | 3,59,068 |
| OFFICE EQUIPMENTS | 11,21,760 | - | - | 11,21,760 | 7,62,692 | 96,551 | - | 8,59,243 | 2,62,517 | 3,59,068 |
| AIR CONDITIONER | - | 1,11,685 | - | 1,11,685 | - | 9,195 | - | 9,195 | 1,02,490 | - |
| ELECTRICAL INSTALLATIONS AND LAB EQUIPME | 1,42,14,134 | - | - | 1,42,14,134 | 25,30,365 | 14,53,133 | - | 39,83,498 | 1,02,30,636 | 1,16,83,769 |
| LAB EQUIPMENT | 6,73,950 | - | - | 6,73,950 | 1,07,770 | 67,655 | - | 1,75,425 | 4,98,525 | 5,66,180 |
| ELECTRIFICATION | 1,35,40,184 | - | - | 1,35,40,184 | 24,22,595 | 13,85,478 | - | 38,08,073 | 97,32,111 | 1,11,17,589 |
| COMPUTERS | 4,46,691 | - | - | 4,46,691 | 3,89,580 | 18,085 | - | 4,07,665 | 39,026 | 57,111 |
| Computer | 4,46,691 | - | - | 4,46,691 | 3,89,580 | 18,085 | - | 4,07,665 | 39,026 | 57,111 |
| Grand Total | 24,00,57,635 | 35,52,028 | 2,77,324 | 24,33,32,339 | 8,36,28,127 | 1,83,06,804 | - | 10,19,34,931 | 14,13,97,408 | 15,64,29,508 |
| Previous Year Figures | 21,36,46,191 | 2,87,00,717 | 22,89,273 | 24,00,57,635 | 5,55,52,865 | 1,88,93,170 | - | 8,36,28,127 | 15,64,29,508 | 15,80,93,326 |

| | | | | | | | | | | |
|--|--|---------|---------|---------|-------|---------|---------|---------|-------|-------|
| i. | Individual shareholders holding nominal share capital upto Rs. 1 lakh | 494699 | 506994 | 1001693 | 20.25 | 538356 | 516594 | 1054950 | 21.33 | 1.08 |
| ii. | Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 429052 | 162900 | 591952 | 11.97 | 401210 | 151200 | 552410 | 11.17 | (0.8) |
| c) | Others (Clearing Members and NRI/ OCB's) | 107137 | 513800 | 620937 | 12.56 | 270358 | 420100 | 690458 | 13.96 | 1.40 |
| Sub-Total (B) (2):- | | 1205824 | 1291094 | 2496918 | 50.49 | 1309924 | 1186994 | 2496918 | 50.49 | 0 |
| Total Public Shareholding (B)= (B)(1)+ (B)(2) | | 1205824 | 1590694 | 2796518 | 56.54 | 1309924 | 1486594 | 2796518 | 56.54 | 0 |
| C. Shares Held By Custodian For GDRs & ADRs | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | | 3355106 | 1590694 | 4945800 | 100 | 3459206 | 1486594 | 4945800 | 100 | 0 |

ii) Shareholding of Promoter-

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|--------------|--------------------------|---|----------------------------------|---|--------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1 | Twinkle Jain | 6,74,036 | 13.63 | 0 | 6,74,036 | 13.63 | 0 | 0 |
| 2 | Suresh Dhanraj Kawarjain | 6,21,846 | 12.57 | 0 | 6,21,846 | 12.57 | 0 | 0 |
| 3 | Suresh Dhanraj Kawar | 1,71,450 | 3.47 | 0 | 1,71,450 | 3.47 | 0 | 0 |
| 4 | Poonam Suresh Kawar | 6,81,950 | 13.79 | 0 | 6,81,950 | 13.79 | 0 | 0 |
| TOTAL | | 21,49,282 | 43.46 | 0 | 21,49,282 | 43.46 | 0 | 0 |

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

| Sr. No. | Name of Promoter | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | There is no change in promoter's shareholding during the year. | | | |
| | Date wise Increase / Decrease in Share holding during the year | | | | |
| | At the End of the year | | | | |

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

| Sr. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 01 | Harsha Hitesh Javeri | | | | |
| | At the beginning of the year | 187879 | 3.79 | 187879 | 3.79 |
| | Date wise Increase / Decrease in Share holding during the year | 17121 | 0.35 | 205000 | 4.14 |
| | At the End of the year | 205000 | 4.14 | 205000 | 4.14 |
| 02 | ILF Mauritius | | | | |
| | At the beginning of the year | 150000 | 3.03 | 150000 | 3.03 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 150000 | 3.03 | 150000 | 30.03 |
| 03 | Alliance Capital Mutual Fund | | | | |
| | At the beginning of the year | 147900 | 2.99 | 147900 | 2.99 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | | | |
| | At the End of the year | 147900 | 2.99 | 147900 | 2.99 |
| 04 | Amrex Marketing P Ltd. | | | | |
| | At the beginning of the year | 100000 | 2.02 | 100000 | 2.02 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 100000 | 2.02 | 100000 | 2.02 |
| 05 | Dhara Fabrics Pvt Ltd. | | | | |
| | At the beginning of the year | 99100 | 2.00 | 99100 | 2.00 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 99100 | 2.00 | 99100 | 2.00 |

| | | | | | |
|-----------|--|-------|------|-------|------|
| 06 | Prakash Mal Jain | | | | |
| | At the beginning of the year | 99100 | 2.00 | 99100 | 2.00 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 99100 | 2.00 | 99100 | 2.00 |
| 07 | Manjula Jayantilal Shah | | | | |
| | At the beginning of the year | 66500 | 1.34 | 66500 | 1.34 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 66500 | 1.34 | 66500 | 1.34 |
| 08 | Priya Kumbhat | | | | |
| | At the beginning of the year | 40000 | 0.80 | 40000 | 0.80 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 40000 | 0.80 | 40000 | 0.80 |
| 09 | Pankaj Kumbhat | | | | |
| | At the beginning of the year | 33900 | 0.68 | 33900 | 0.68 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 33900 | 0.68 | 33900 | 0.68 |
| 10 | Hitesh Ramji Javeri | | | | |
| | At the beginning of the year | 30000 | 0.60 | 30000 | 0.60 |
| | Date wise Increase / Decrease in Share holding during the year | 45140 | 0.91 | 75140 | 1.51 |
| | At the End of the year | 75140 | 1.51 | 75140 | 1.51 |

V) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 01 | Suresh Dhanraj Kavarjain | | | | |
| | At the beginning of the year | 621846 | 12.57 | 621846 | 12.57 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 621846 | 12.57 | 621846 | 12.57 |
| 02 | Poonam Suresh Jain | | | | |
| | At the beginning of the year | 681950 | 13.79 | 681950 | 13.79 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 681950 | 13.79 | 681950 | 13.79 |

| | | | | | |
|-----------|--|---|---|---|---|
| 03 | Rachana Akshaya Kataria | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |
| 04 | Deepak Sharma | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Share holding during the year | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |

V. INDEBTEDNESS

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

| | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|------------------------------|----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | | |
| i) | Principal Amount | 119665052 | 10561726 | NIL | 130226778 |
| ii) | Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) | Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i + ii + iii) | | 119665052 | 10561726 | NIL | 130226778 |
| Change in Indebtedness during the financial year | | | | | |
| * Addition | | 4449789 | 2114260 | NIL | 6564049 |
| * Reduction | | NIL | NIL | NIL | NIL |
| Net Change | | 4449789 | 2114260 | NIL | 6564049 |
| Indebtedness at the end of the financial year | | | | | |
| i) | Principal Amount | 124114841 | 12675986 | NIL | 136790827 |
| ii) | Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) | Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i + ii + iii) | | 124114841 | 12675986 | NIL | 136790827 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|--------|-----------------------------|--------------------------|--------------------|--------------|
| | | Suresh Dhanraj Kawarjain | Poonam Suresh Jain | |
| 1. | Gross salary | 6,00,000 | 6,00,000 | 12,00,000 |

| | | | | |
|----|---|--------------------|--------------------|---------------------|
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6,00,000 | 6,00,000 | 12,00,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | NIL | NIL | NIL |
| 2. | Stock Option | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL |
| 4. | Commission - as % of profit - others, specify... | NIL | NIL | NIL |
| 5. | Others, please specify | NIL | NIL | NIL |
| | Total (A) | 6,00,000.00 | 6,00,000.00 | 12,00,000.00 |
| | Ceiling as per the Act | N.A | N.A | N.A |

B. Remuneration to other directors:

| Sr. No | Particulars of Remuneration | Name of Directors | | Total Amount |
|--------|--|-------------------------|---------------|--------------|
| | | Rachana Akshaya Kataria | Deepak Sharma | |
| | 3. Independent Directors | | | |
| | Fee for attending board committee meetings | NIL | NIL | NIL |
| | Commission | NIL | NIL | NIL |
| | Others, please specify | NIL | NIL | NIL |
| | Total (1) | | | |
| | 4. Other Non-Executive Directors | NIL | NIL | NIL |
| | Fee for attending board committee meetings | NIL | NIL | NIL |
| | Commission | NIL | NIL | NIL |
| | Others, please specify-Remuneration | NIL | NIL | NIL |
| | Total (2) | NIL | NIL | NIL |
| | Total (B)=(1+2) | NIL | NIL | NIL |
| | Total Managerial Remuneration | NIL | NIL | NIL |
| | Overall Ceiling as per the Act | N.A | N.A | N.A |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD

| S.N | Particulars of Remuneration | Key Managerial Personnel (Company has not appointed any other Key Managerial Personnel) | | | Total |
|-----|--|--|-----|-----|-------|
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the | N.A | N.A | N.A | N.A |

| | | | | | |
|----|--|-----|-----|-----|-----|
| | Income-tax Act, 1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | N.A | N.A | N.A | N.A |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | N.A | N.A | N.A | N.A |
| 2. | Stock Option | N.A | N.A | N.A | N.A |
| 3. | Sweat Equity | N.A | N.A | N.A | N.A |
| 4. | Commission | N.A | N.A | N.A | N.A |
| | - as % of profit | N.A | N.A | N.A | N.A |
| | - Others, specify... | N.A | N.A | N.A | N.A |
| 5. | Others, please specify | N.A | N.A | N.A | N.A |
| | Total | N.A | N.A | N.A | N.A |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

By Order of the Board
For Suncity Synthetics Limited

Place: Surat
Date: 05.08.2016

Sd/-
Suresh Dhanraj Kavarjain (DIN: 00337493)
Chairman and Managing Director

“Annexure B”

DISCLOSURE OF POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES (Pursuant to subsection 3 and 4 of section 178 of The Companies Act 2013)

Remuneration Policy:

1. Remuneration to managerial personnel will be recommended to the board by the committee and same shall be subject to approval of shareholders and/or central government where ever required.
2. Remuneration to managerial personnel shall be in accordance with the provisions of the Companies Act, 2013 and other applicable acts.
3. Increment to existing remuneration shall be as per recommendation of committee and within the limits approved by shareholders.

Remuneration to managerial personnel:

1. The managerial personnel shall be entitled to monthly remuneration as approved by the board on recommendation of the committee and same shall be in accordance with the provision of the Companies act, 2013 and rules made there under The breakup of pay scale and quantum of perquisites and non-monetary benefits shall also be approved by board on recommendation of the committee.
2. The managerial Personnel shall also be eligible to performance linked incentives as may be determined by board.
3. The managerial personnel may also be paid commission as may be approved by shareholders.
4. The managerial personnel shall be entitled to minimum remuneration in accordance with Schedule V of the Companies Act, 2013 in event of no profit or inadequacy of profit.

Remuneration to Non-executive / Independent directors:

1. The remuneration shall be in accordance with the Companies Act, 2013 and rules made there under.
2. The non-executive/independent directors may receive sitting fees for attending the meeting of board of directors or an committee which shall be within the prescribed limit under the act. Non – executive directors shall be reimbursed travelling and incidental expense for attending the meeting.
3. Non- executive directors may also be paid commission subject to approval by the shareholders and within the limit not exceeding 1% of the profit of the company.
4. Non-executive directors shall not be entitled stock options.

“Annexure C”

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial year Ended on 31st March, 2016

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

To,
The Members
Suncity Synthetics Limited
205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat 395002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suncity Synthetics Limited (CIN: L17110GJ1988PLC010397)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Suncity Synthetics Limited for the financial year ended on 31st March, 2016 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

- Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period);**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
- f) The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period);** and
- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company. We report that the Company has substantially complied with the provisions of those Acts that are applicable to Company.

As per information given to us no sector specific laws are applicable to the company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and general meetings;
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and /or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *except to the extent that:*

1. *Company has not appointed Company Secretary as compliance officer pursuant to Regulation 6 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015 and as Key Managerial Personnel in compliance with section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.*
2. *Company has not appointed Chief Financial officer in compliance with section 203 of the companies act 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.*
3. *Company has not appointed internal auditor in compliance with section 138 of The Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014.*
4. *Company has not issued certain advertisements as required under Section 91 of The Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015.*

5. *The website of the Company is not updated in compliance with provision of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015.*
6. *Nomination and Remuneration Committee has not been duly constituted in compliance with section 178 of The Companies Act, 2013.*
7. *The auditor appointed by company for limited review reports and audit report is yet to subject himself to peer review process as required under Regulation 33(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors however since company has only two non executive directors the nomination and remuneration committee do not comprise of 3 non executive directors as required. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

We further report that as per the explanations given to us and the representation made by the Management and relied upon by us there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

- i. Public / Right / Preferential issue of shares / debentures / Sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations.

For K. Dalal & Co.
Company Secretaries

Place: Surat

Date: 05.08.2016

Kunjal Dalal
Proprietor
FCS No. 3530 COP No. 3863

Note: This report is to be read with my letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

Annexure 'A'

To,
The Members
Suncity Synthetics Limited
205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat 395002

My secretarial audit report of even date is to be read along with this letter.

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

For K. Dalal & Co.
Company Secretaries

Place: Surat

Date: 05.08.2016

Kunjal Dalal
Proprietor
FCS No. 3530 COP No. 3863

Disclosures pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

A. Related Party Disclosure

| Sr. No. | In the accounts of | Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year. |
|----------------|---------------------------|--|
| 1 | Holding Company | <ul style="list-style-type: none"> ○ Loans and advances in the nature of loans to subsidiaries by name and amount: NIL ○ Loans and advances in the nature of loans to associates by name and amount: NIL ○ Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL |
| 2 | Subsidiary | Same disclosures as applicable to the parent company in the accounts of subsidiary company: NIL |
| 3 | Holding Company | Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan: NIL |

B. Management Discussion And Analysis Report:

(a) Industry structure and developments:

Company is engaged in business of Polyester staple fiber and nylon granules manufacture.

(b) Opportunities and Threats:

The industry provides ample opportunities in domestic and as well as export market however the uncertainty of raw material prices and government policies are detrimental to growth and profitability.

(c) Segment-wise or product-wise performance:

Company operates in single segment and segment wise reporting is not applicable and product wise performance is expected to improve.

(d) Outlook:

The Company shall continue to explore its policy of expansion based on availability of resources and opportunity.

(e) Risks and concerns:

Company does not foresee any such risk in near future, which will hamper the activities.

(f) Internal control systems and their adequacy:

Company is in the process of implementing various soft wares for better control.

(g) Discussion on financial performance with respect to operational performance:

| Particulars | As on 31/03/2016 | As on 31/03/2015 |
|---|-----------------------------|-----------------------------|
| Turnover and other income | 333296285.00 | 445786527.00 |
| Gross profit/Loss (-) before Financial Charges & depreciation | 20445212.00 | 33706899.00 |
| Interest and Financial Charges | 17671088.00 | 17791372.00 |
| Profit/Loss(-) before depreciation | 2774124.00 | 15915527.00 |
| Depreciation | 19758778.00 | 20345142.00 |
| Profit /Loss(-) After Tax for the year | -11797067.00 | -227726.00 |

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed:

The management is keenly interested this field. All the efforts are made to rationalize its manpower and make effective use of the same.

Disclosure of Accounting Treatment:

Financial statements have been prepared in accordance with applicable Accounting Standards, hence Para B (2) of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company.

C. Corporate Governance Report: Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para C of Schedule V of SEBI (LODR) relating to Corporate Governance Report is not applicable to the company.

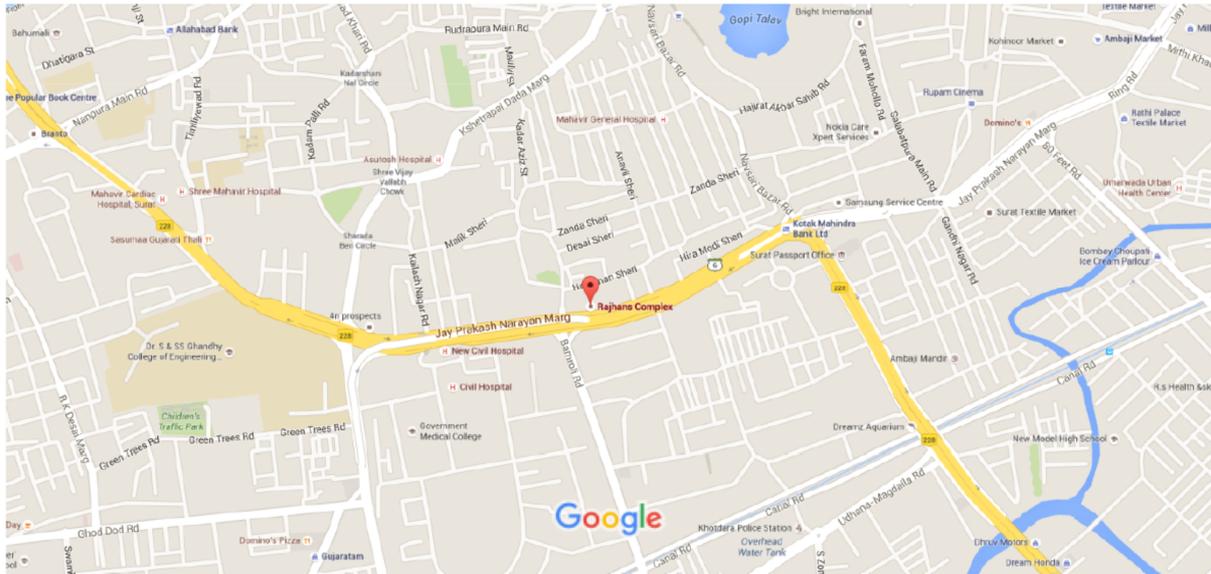
D. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management: Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para D of Schedule V of SEBI (LODR) relating to Declaration by CEO is not applicable to the company.

- E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report:** Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para E of Schedule V of SEBI (LODR) relating to Compliance Certificate is not applicable to the company.
- F. Disclosures with respect to demat suspense account/unclaimed suspense account:** Not Applicable

Place: Surat
Date: 05.08.2016

By Order of the Board
For Suncity Synthetics Limited

Sd/-
Suresh Dhanraj Kavarjain (DIN: 00337493)
Chairman and Managing Director



ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall 28th Annual General Meeting

Folio No./ DP ID/Client ID No. : _____

Number of shares held: _____

Name of the attending Member/Proxy: _____

I hereby record my presence at the 28th Annual General Meeting of **Suncity Synthetics Limited** held on Tuesday, 27th September, 2016 at 11.00 a.m. at 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat 395002

Member's/Proxy's Signature
(To be signed at the time of handing over the slip)

Form No. MGT-11

Proxy form

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

CIN : **L17110GJ1988PLC010397**
Name of the company: **Suncity Synthetics Limited**
Registered office: **205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat 395002**

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

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

1. Name :

Address :

E-mail Id :

Signature

Or failing him

2. Name :

Address :

E-mail Id :

Signature

Or failing him

3. Name :

Address :

E-mail Id :

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the 27th day of September, 2016 at 11.00 a.m. at 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat 395002 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolution | For | Against |
|----------------|-------------------|------------|----------------|
|----------------|-------------------|------------|----------------|

Ordinary Business:-

- 1 Adoption of Financial Statements
- 2 Re-appointment of director
- 3 Appointment of Statutory Auditors

Signed this.....day of.....2016

Signature of Shareholder
Signature of Proxy holder(s)

Affix Revenue
Stamp

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

BALLOT / POLL FORM

(The members who are not able to attend the Annual General Meeting can send their assent or dissent in writing in respect of the resolutions as set out in the Notice by sending the duly filled and signed Ballot/ Poll Form to Mr. Kunjal Dalal, proprietor K. Dalal & Co., Practicing company secretaries, (the Scrutinizer) C/o Suncity Synthetics Limited: 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat 395002, so as to reach him on or before 26th September, 2016)

Name
Address
DP Id*
Client Id*
Folio No.
No. of shares held

*Applicable for investors holding shares in electronic form

I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) / special Resolution(s) as specified in the notice of Suncity Synthetics Limited dated 05/08/2016 to be passed through Ballot/Poll for the businesses stated in the said Notice by conveying my/Our assent or dissent to the said Resolution in the relevant box below:

| Sr. No. | Resolution | Type of Resolution (Ordinary /Special) | I/We assent to the resolution (For) | I/We dissent to the resolution (Against) |
|--------------------------|-----------------------------------|---|--|---|
| Ordinary Business | | | | |
| 1 | Adoption of Financial Statements | Ordinary | | |
| 2 | Re-appointment of director | Ordinary | | |
| 3 | Appointment of Statutory Auditors | Ordinary | | |

Place:

Date:

Signature of Member / Beneficial Owner