

Date: 03/09/2022

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400001

Sub: Submission of Annual Report of Suncity Synthetics Limited for the financial year ended 31st March, 2022.

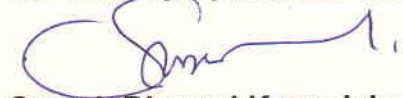
Ref.: Scrip Code: 530795, Stock Code: SUNCITYSY

Dear Sir,

Pursuant to Regulation 34 of SEBI (LODR) Regulations 2015, we enclose herewith Annual Report of Suncity Synthetics Limited for the financial year ended 31/03/2022.

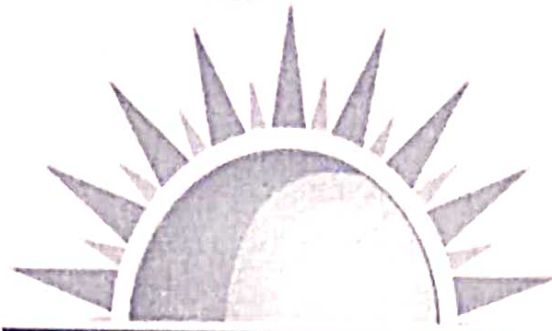
Kindly take the same on record.

For Suncity Synthetics Limited



Suresh Dhanraj Kavarjain
Managing director
(DIN: 00337493)

SUNCITY SYNTHETICS LIMITED



34th Annual Report

For the Year Ended

31.03.2022

CONTENTS

- 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, 2022 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, 2022

205, Rajhans Complex

Ring Road

SURAT.

BOARD OF DIRECTORS:

Shri Suresh Dhanraj Kavar
Managing Director

Smt. Poonam Jain
Whole Time Director

Shri Deepak Sharma
Independent Director

Smt Rachna Jain
Independent Director

Bankers:
State Bank of India
Jodhpur

Auditors:
NAMS & 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

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

NOTICE

Notice is hereby given that the 34th 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, 2022 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted

2. To appoint a Director in place of Shri Suresh Dhanraj Kawarejain (DIN: 00337493), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Suresh Dhanraj Kawarejain (DIN: 00337493), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.

SPECIAL BUSINESS

3. To appoint M/s. S. Gandhi & Associates, Chartered Accountants, (FRN: 116673W) as Statutory Auditors of Company for Period of Five Years up to financial year ending 31/03/2027 and fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Section- 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. S. Gandhi & Associates, Chartered Accountants, (FRN: 116673W) be and is hereby re appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2027, at such remuneration as may be agreed upon between the Board of Directors and Statutory Auditors, in

addition to the reimbursement of GST and out of pocket expenses incurred in relation with the audit of accounts of the Company.

Place: Surat
Date: 22/08/2022

By Order of the Board
For Suncity Synthetics Limited

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

Notes:

1. Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item no. 3 of the accompanying notice is annexed hereto.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.

7. The Register of Members and Share Transfer Books of the company will be closed from 25/09/2022 to 27/09/2022, both days inclusive.
8. 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 / 25 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).

9. 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.
10. **Information relating to e-voting are as under:**
 - a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 33rd Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting at Annual General Meeting will be 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.
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, 2022 to 5.00 p.m. on Monday, 26th September, 2022.
 - b. The Notice calling the Annual General Meeting (AGM) has been uploaded on the website of the Company. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The Annual

General Meeting (AGM) Notice is also uploaded on the website of CDSL (agency for providing the Remote e-Voting facility for AGM) i.e. www.evotingindia.com.

- c. E-voting shall not be allowed beyond 5.00 p.m. on Monday, 26th September, 2022. During the e-voting period, shareholders of the Company, holding shares, as on Tuesday, 20th September, 2022 may cast their vote electronically.
- d. 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.
- e. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the Meeting shall be able to exercise their rights to vote at the Meeting through ballot paper in case they have not cast their vote by remote e-voting.
- f. 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.
- g. 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.

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins from 09.00 a.m. on Saturday, 24th September, 2022 and ends on 5.00 p.m. on Monday, 26th September, 2022. 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 Tuesday, 20th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility
Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</p>

	<p>After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(iv) Login method for e-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual 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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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 (v).

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant Suncity Synthetics Limited on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.

- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) 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.
- (xv) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; suncitysyn@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xvi) In case you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

Place: Surat
Date: 22/08/2022

By Order of the Board
For Suncity Synthetics Limited

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

Explanatory Statement pursuant to section 102(1) of The Companies Act, 2013:-

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, setting out all material facts relating to the business at Item Nos. 3 of the accompanying notice.

For Item No. 3

To appoint M/s. S. Gandhi & Associates, Chartered Accountants, (FRN: 116673W) as Statutory Auditors of Company

Existing auditors have resigned and it is therefore necessary to appoint new Statutory Auditors.

The board of Directors at their meeting held on 22/08/2022 proposed to appoint new auditors to fill up casual vacancy. The term of Auditor appointed by the Board shall expire on conclusion of AGM and it is proposed to appoint the said Auditors for a period of Five years as stated in the Resolution.

The copy of consent etc. received from the Auditors is available for inspection at Registered Office of the Company during Business hours till the date of AGM.

None of the Directors or Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution.

Place: Surat

Date: 22/08/2022

By Order of the Board
For Suncity Synthetics Limited

Sd/-
Suresh Dhanraj Kawarejain
(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	Shri Suresh Dhanraj Kavarjain
Age	58 Years
Qualifications	Chartered Accountant
Experience	33 Years
Nature of Expertise	Management
Inter-se Relationship	Shri Suresh Dhanraj Kavarjain is the husband of Smt. Poonam Jain, the Wholetime 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

Place: Surat
Date: 22/08/2022

By Order of the Board
For Suncity Synthetics Limited

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 2022.

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

- a) The web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed:**

The Annual Return of the company as on 31st March, 2022 is available on the Company's website on www.suncitysyntheticsltd.in

- b) Number of meetings of the Board:**

During the year 2021-22, 7 meetings of Board of Directors were held during the year.

- c) Director's Responsibility Statements:**

The director's state that:

- i) In the preparation of annual accounts for the financial year ended 31st March 2022, 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 A" 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 B" 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, 2022 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, 2022 are as follows.

Sr. No.	Name of the Related Party & Relationship	Nature of Transaction	Duration	Salient Terms	Amount
01	Dhara fabrics pvt ltd. And KDS textiles P ltd	Loan	Ongoing	On arm's length basis in ordinary course of business	18.07 Lac
02	Samyak jain, Ajay Lodha, Mohan singh sanjay kumar HUF, Anita Jain, Sanjay pathak, twinkle jain	Unsecured loans obtained and repaid			57.95 lac

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 Revenue from operations of the company in the year 2021-22 was Rs. 467.75 Lakhs and in the year 2021-22 the Revenue is Rs. 763.27 Lakhs. In the year 2020-21 the company had a loss of Rs. 387.85 Lakhs whereas in the year 2021-22 Company has a Profit of Rs. 27.98 Lakhs.

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 proposes 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

(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): NIL

- 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	Amt. in Lakhs	
	As on 31/03/2022	As on 31/03/2021
Turnover and other income	764.09	469.08
Gross profit/Loss (-) before Financial Charges & depreciation	164.30	(300.98)
Financial Costs	53.56	82.31
Profit/Loss(-) before depreciation	110.74	(383.29)
Depreciation and Amortization Expenses	74.07	154.91
Profit /Loss(-) After Tax for the year	27.98	(387.85)

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:

Details of changes in Key Managerial personnel during the year are as under:-

Sr. No.	Name	Designation	Appointment Date
NIL			

(iiia) A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year:

No Independent director was appointed in the company during the year.

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.

ix) A disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

Company is not required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

x) A statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.	Smt. Poonam Suresh Kavar and Shri Suresh Dhanraj Kavarjain to Employees : 30.82 % : 69.18%
(ii)	The percentage increase in remuneration of each director, chief financial officer, Chief Executive officer, Company Secretary or manager in the financial year.	There is no increase in Remuneration of Directors. The Director Remuneration has decreased from Rs. 12lacs to Rs. 6 lacs.
(iii)	The percentage increase in the median remuneration of employees in the financial year	No increase
(iv)	Number of permanent employees on the rolls of the company as on 31 st March, 2022.	7
(v)	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.	There is no increase in Managerial Remuneration and hence details Not Applicable.
(vi)	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

Place: Surat
Date: 15/07/2022

By Order of the Board
For Suncity Synthetics Limited

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



INDEPENDENT AUDITOR'S REPORT

**To the Members of
SUNCITY SYNTHETICS LIMITED**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **SUNCITY SYNTHETICS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 March 31, 2022, and
- (ii) In so far it relates to the Profit and Loss, of the Profit 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 on March 31, 2022;

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Responsibility of Management and those charged with Governance 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 and presentation 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. This



responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

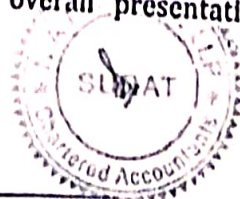
Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 thereunder. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure 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 the 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.



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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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 pending 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.

Date: 14-05-2022
Place: Surat



For and on Behalf of
N A M S & Co. LLP
Chartered Accountants
FRN: 120880W/100777W

CA. Sumit Khetan
Partner

Mem No.: 061911
UDIN:- 22061911AJCYCS7467

"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, 2022:

- 1) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, Plant & Equipment.
 - (b) The Property, Plant & Equipment 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, a portion of the Property, Plant & Equipment has been physically verified by the management during the year and according to information and explanation received from management, no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) Based on verification of Lease/Sale deed of the Immovable properties, we report that, the title deeds of immovable properties, disclosed in financial statements under Property, Plant & Equipment, are held in the name of the company.
 - (d) The Company has not revalued any of its Property, Plant & Equipment during the year. Further Company does not own/recorded any intangible assets during the year.
 - (e) During the year under Audit, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2)
 - (a) As per information and explanation given by the management, the management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
 - (b) The Company has not been sanctioned working capital limits in excess of five Crore rupees, in aggregate, at any time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b) of the Order is not applicable.
- 3) During the year under Audit, Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3 (iii) of the Order is not applicable.



- 4) During the year under Audit, Company has not made Investments in, provided any guarantee or security or granted any loans or advances to which provisions of Section 185 and 186 of Companies act applies. Hence reporting under clause 3 (iv) of the Order is not applicable.
- 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. Hence reporting under clause 3 (v) of the Order is not applicable.
- 6) As informed to us, the maintenance of Cost Records is not applicable to the company as 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. Hence, reporting under clause 3 (vi) of the Order is not applicable.
- 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, Goods & Services 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, 2022 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, sales tax, service tax, Goods & Services Tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- 9) (a) 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.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, Company has not availed any term loan during the year.
- (d) On overall examination of the financial statement of the Company, funds raised on short term basis, prima facie, not been used, during the year, for long-term purposes by the Company.



- (e) As per information and explanation from management and in our opinion, The Company does not have any have subsidiaries, joint ventures and associate companies. Hence, reporting under clause 3 (ix) (e) of the Order is not applicable.
- (f) The company has not raised loan during the year on the pledge of securities and hence reporting under clause 3 (ix) (f) of the Order is not applicable.
- 10) (a) 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. Accordingly, reporting under clause 3 (x) (a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence reporting under clause 3 (x) (b) of the Order is not applicable.
- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have considered whistle-blower complaints, if any, received during the year by the company, while determining the nature, timing and extent of our audit procedures.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (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 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards. Since Company is a private company hence provisions of section 177 of the Act not applicable to the company hence not commented upon.
- 14) (a) The Company appointed Mr. Ajay Lodha as internal auditor of the company. Company is having internal audit system commensurate with the size and nature of its business.
- (b) Annual Reports of internal auditor provided for verification. And same has been considered by us in providing our opinion on financial statements.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into 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) (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) (a) of the Order are not applicable to the Company and hence not commented upon.
- (b) In our opinion, there is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank) directions, 2016) and accordingly reporting under clause 3 (xvi) (b) (c) & (d) of the order not applicable to the company.
- 17) The Company has not incurred cash losses during the financial year covered by our audit. However, during the immediate financial year company has incurred cash loss of Rs. 2.49 Crores.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on our examination of the supporting assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on date of the audit report indicating that company is not capable of meeting its liabilities existing at the balance sheet date. We further state that this is not an assurance regarding future viability of the Company. We neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will be discharged by the Company as and when they fall due.
- 20) In our opinion, provisions of section 135 of the Companies Act, 2013 not applicable to the company and hence reporting under clause 3 (xx) (a) & (b) of the order not applicable to the company.
- 21) As per information and explanation received from management, the company does not have any holding, subsidiary, joint venture and associates, hence reporting under clause 3 (xxi) of the order not applicable to the company.

Date: 14-05-2022
Place: Surat



For and on Behalf of
N A M S & Co. LLP
Chartered Accountants
FRN: 120880W/W100777

CA. Sumit Khetan
Partner
Mem No.: 061911
UDIN:- 22061911AJCYCS7467

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of SUNCITY SYNTHETICS LIMITED

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SUNCITY SYNTHETICS LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

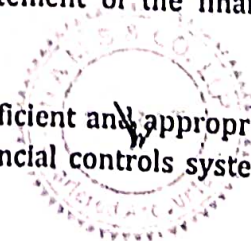
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting".

For and on Behalf of
N A M S & Co. LLP
Chartered Accountants
FRN: 120880W/W100777



CA. Sumit Khosla
Partner

Mem No.: 061911

UDIN:- 22061911AJCYCS7467

Date: 14-05-2022

Place: Surat

SUNCITY SYNTHETICS LIMITED

CIN: L17110GJ1988PLC010397

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

Balance Sheet as on 31st March, 2022

Particulars		Note	As at Thursday, March 31, 2022		As at Wednesday, March 31, 2021	
<u>ASSETS</u>						
(1) Non Current Assets						
(a) Property, Plant & Equipment	3		332.17		580.06	
(b) Capital Work-In-progress			-		-	
(c) Investment Property			-		-	
(d) Goodwill			-		-	
(e) Other Intangible Assets			-		-	
(f) Intangible Assets Under Development			-		-	
(g) Biological Assets other than Bearer Plants			-		-	
(h) Financial assets						
(i) Investments	4		2.50		2.50	
(ii) Trade Receivables	5		-		-	
(iii) Loans	6		8.39		31.07	
(i) Deferred Tax Asset (net)	7		27.16		16.47	
(j) Other Non Current Assets	8		4.05	374.26	4.05	634.15
(2) Current Assets						
(a) Inventories	9		204.80		364.34	
(b) Financial Assets						
(i) Investments			-		-	
(ii) Trade Receivable	10		53.05		29.60	
(iii) Cash and cash equivalents	11		13.82		2.35	
(iv) Bank Balances other than (iii) above			-		-	
(v) Loans	12		-		0.35	
(vi) Others (to be specified)			-		-	
(c) Current Tax Assets (Net)	13		-		-	
(d) Other current assets	14		8.21	279.87	9.69	406.31
Total Assets			654.13		1,040.46	
<u>EQUITY AND LIABILITIES</u>						
<u>EQUITY</u>						
(a) Equity Share capital	15		494.58		494.58	
(b) Other Equity	16		(486.96)	7.62	(514.94)	(20.36)
<u>LIABILITIES</u>						
(1) Non Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	17		279.09		439.00	
(ia) Lease Liabilities			-		-	
(ii) Trade Payables	18		-		-	
(A) Outstanding Dues from MSME			-		-	
(B) Total Outstanding Dues from other than MSME			-		-	
(iii) Other Financial Liabilities			-		-	
(b) Provisions						
(c) Deferred Tax liabilities (Net)	19		-		-	
(d) Other Non Current Liabilities			-	279.09	-	439.00
(2) Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	20		230.50		501.98	
(ia) Lease Liabilities			-		-	
(ii) Trade Payables	21		-		-	
(A) Outstanding Dues from MSME			-		-	
(B) Total Outstanding Dues from other than MSME			94.00		60.34	
(b) Other Current Liabilities	22		40.79		57.17	
(c) Provisions	23		2.13	367.42	2.32	621.82
(d) Current Tax Liabilities (Net)			-		-	
Total Equity and Liabilities			654.13		1,040.46	

See accompanying notes to the financial statements.

1 to 36

For M A S & Co. LLP
Chartered Accountants.
(Firm Reg. No 120880W/W100777)

For And On Behalf Of The Board

CA Sumit Khetan
Designated Partner
Mem. No.: D61911
UDIN: 22061911AJCYC57467
Place: Surat
Date: 14/05/2022

Company Secretary	Managing Director	Whole Time Director
Ardula Agarwal	Suresh Jain	Poonam Jain
	DIN: 00337493	DIN: 01971928

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Statement of profit and loss for the year ended, 31st March, 2022

Particulars	Note	For the year ended 31/3/2022	(Amount in Lakhs) For the year ended 31/3/2021
<u>INCOME</u>			
Revenue From Operations	24	763.27	467.75
Other Income	25	0.82	1.34
Total Revenue		764.09	469.08
<u>EXPENSES</u>			
Cost of Materials Consumed	26	523.59	575.11
Purchase of Stock-In-Trade		-	-
Changes In Inventories of Finished Goods,		1.05	84.94
Work-In-Progress and Stock-In-Trade	27		
Employment Benefit Expenses	28	19.47	22.04
Financial Costs	29	53.56	82.31
Depreciation and Amortization Expenses	30	74.07	154.91
Other Expenses	31	129.03	87.98
Total Expenses		800.77	1,007.29
Profit Before Exceptional and Tax		(36.67)	(538.20)
Exceptional Items			
- Profit on Sale of Fixed Assets		53.97	134.26
- Prior period Tax Expenses		-	-
Profit/ (loss) Before Tax		17.29	(403.95)
Tax Expense :			
(1) Current Tax		-	-
(2) Deferred Tax		10.69	16.10
Profit for the Year From Continuing Operations		27.98	(387.85)
Profit/(Loss) From Discontinuing Operations		-	-
Tax Expense of Discounting Operations		-	-
Profit/(Loss) From Discontinuing Operations		-	-
Profit/(Loss) For The Period		27.98	(387.85)
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		27.98	(387.85)
Earning Per Equity Share:	32		
(1) Basic (Rs.)		0.57	(7.84)
(2) Diluted (Rs.)		0.57	(7.84)

See accompanying notes to the financial statements.

1 to 36

for N A M S & CO. LLP

Chartered Accountants.

(Firm Reg. No. : 120880W/W100777)

For And On Behalf Of The Board

CA Sumit Khetan
Designated Partner
Mem. No.: 061911
UDIN: 22061911AJCYC57467
Place: Surat
Date: 14/05/2022

Company Secretary
Mridula Agarwal

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971928

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

4 Investments

- (a) Investment in equity Shares
(b) Investment in Government or trust securities

As At 31-03-2022	
2.40	
0.10	2.50
	<u>2.50</u>

As At Wednesday, March 31, 2021	
2.40	
0.10	2.50
	<u>2.50</u>

4.1 Company has invested equity shares of following companies

Gujarat State Financial Corporation
(2,800 Equity Shares (Previous Year - 2,800) of having Face value of ₹ 10/- each)
Moti Finance Limited
(21,000 Equity Shares (Previous Year - 21,000) of ₹ 10/- each

As At Thursday, March 31, 2022	
0.30	
2.10	2.40
	<u>2.40</u>

As At Wednesday, March 31, 2021	
0.30	
2.10	2.40
	<u>2.40</u>

5 Trade Receivables

- (a) Unsecured considered good and
Less: - Provision for bad and doubtful debts

As At Thursday, March 31, 2022	
-	
-	
	<u>-</u>

As At Wednesday, March 31, 2021	
-	
-	
	<u>-</u>

5.1 Trade Receivables Ageing Schedule

Particulars	Outstanding for following period from due date of Transaction					Amount in
	< 6 months	6 m - 1 year	1-2 years	2-3 years	>3 years	Total
(i) Undisputed Trade Receivables - Considered Good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

6 Loans

- (a) Security deposit
(i) Unsecured considered good and
(i) Advance for Purchase of Fixed Assets

As At Thursday, March 31, 2022	
8.39	
-	
	<u>8.39</u>

As At Wednesday, March 31, 2021	
26.32	
4.75	
	<u>31.07</u>

7 Deferred tax Asset (net)

- Deferred Tax Asset
Related to Depreciation of Fixed assets
Related to Carried Forward loss and Unabsorbed Dep.

As At Thursday, March 31, 2022	
27.16	
-	27.16
	<u>27.16</u>

As At Wednesday, March 31, 2021	
16.47	
-	16.47
	<u>16.47</u>

7.1 During the year under audit no Deferred Tax Assets has been created on carried forward losses and Unabsorbed depreciation.

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

8 Other Non-Current assets

Bank deposits with more than 12 months maturity
Fixed deposit with SBI (0959)

As At Thursday, March 31, 2022	
	4.05
	4.05

As At
Wednesday, March 31, 2021

4.05

4.05

9 Inventories :

Raw Material
Finished Goods
Stores, spares, Coal and packing material

As At Thursday, March 31, 2022	
Raw Material	170.75
Finished Goods	29.79
Stores, spares, Coal and packing material	4.26
	204.80

As At
Wednesday, March 31, 2021

317.45
30.84
16.04

364.34

9.1 Inventories have been valued at lower of Cost and Net realisable value as on Balance Sheet date. Further Company is following Weighted average method for the valuation of Inventories.

10 Trade Receivables

(a) Secured considered good
Less: - Provision for bad and doubtful debt

(b) Unsecured considered good and
Less: - Provision for bad and doubtful debts

As At Thursday, March 31, 2022	
(a) Secured considered good	-
Less: - Provision for bad and doubtful debt	-
(b) Unsecured considered good and	53.05
Less: - Provision for bad and doubtful debts	-
	53.05

As At
Wednesday, March 31, 2021

-

29.60
-
29.60

10.1 Trade Receivable Ageing Schedule

Particulars	Outstanding for following period from due date of Transaction*					Amount in
	< 6 months	6 m - 1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	30.68	-	10.06	-	12.31	53.05
	(15.67)	(0.12)	(6.02)	(2.09)	(5.70)	(29.60)
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

* Ageing of debtors has been provided based on the date of transaction.

* Figures in Bracket & Italic represents the amount with respect to previous year.

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

11	Cash and cash equivalents				
	(a) Balances with Banks				
	State bank of India				
	Uco Bank				
	(b) Cash on hand				
	(As certified by the Management)				
12	Loans				
	(a) Other loans				
	(i) Unsecured considered good				
	Other loans and advances				
12.1	No Loans or Advances in the nature of loans were granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, during the year.				
13	Current Tax Maturities				
	Deferred Tax Asset				
	On account of Disallowances under section 43B				
14	Other current assets				
	(a) Duties and Taxes receivable				
	(b) Prepaid Expenses				
	(c) RSEB Security Interest Receivable				
	(d) Advance to Suppliers				
	(e) TDS Receivable				
	TCS Receivable				
	Less: - Provision for Tax				

As At Thursday, March 31, 2022
-
-
13.82
13.82

As At
Wednesday, March 31, 2021

-
-
2.35
2.35

As At Thursday, March 31, 2022
-
-
-
-

As At
Wednesday, March 31, 2021

0.35
0.35
0.35

As At Thursday, March 31, 2022
-
-
-

As At
Wednesday, March 31, 2021

-
-
-

As At Thursday, March 31, 2022
3.56
0.67
0.32
-
2.90
0.76
-
3.66
8.21

As At
Wednesday, March 31, 2021

5.79
1.94
0.36
-
1.32
0.28
-
1.60
9.69

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

15 Share Capital :

Authorised Share Capital
(70,00,000 Equity Shares of ₹. 10/- (Each)
(Previous Year 70,00,000 Equity Shares of ₹. 10/- Each.)

Issued, Subscribed & Paid-up Share Capital
49,45,800 Equity share of ₹. 10/- Each fully paid.
(Previous Year 49,45,800 Equity Shares of ₹. 10/- Each Fully paid)

As At Thursday, March 31, 2022	
	700.00
	700.00
	494.58
	494.58

As At Wednesday, March 31, 2021	
	700.00
	700.00
	494.58
	494.58

- 15.1 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.
- 15.2 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.
- 15.3 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) and re-issue of forfeited equity shares, since inception.
- 15.4 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.

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

Name of Share Holders	As At Thursday, March 31, 2022		As At Wednesday, March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
Poonam Suresh Kavar	6.82	13.79	6.82	13.79
Suresh Dhanraj Kavar Jain	7.21	14.58	7.21	14.58
Twinkle Jain	6.74	13.63	6.74	13.63

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

Name of Share Holders	As At Thursday, March 31, 2022		As At Wednesday, March 31, 2021	
	No. of Shares		No. of Shares	
Equity Shares at the beginning of the year		49.46		49.46
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		49.46		49.46

15.7 Shareholding of Promoters

Shares held by Promoters at the end of the year					
Promoter Name	No. of Shares as on 31.03.2022	% of Total Shares	No. of Shares as on 31.03.2021	% of Total Shares	% change during the year
Poonam Suresh Kavar	6.82	13.79	7	13.79	-
Twinkle Jain	6.74	13.63	7	13.63	-
Suresh Dhanraj Kavar Jain	6.22	12.57	6	12.57	-
Suresh Dhanraj Kavar (HUF)	1.71	3.47	2	3.47	-
Suresh Dhanraj Kavar Jain	0.99	2.00	1	2.00	-
TOTAL	22.48	45.46	22	45.46	-

16 Other Equity

Share Forfeiture Reserve
Capital Subsidy
Profit & Loss A/c.
As per Last Balance sheet
Add/(Less): Prior Period Items
Add/(Less): Profit/(Loss) for the Year

As At Thursday, March 31, 2022	
	82.38
	39.87
	(637.18)
	27.98
	(609.20)
	(486.96)

As At Wednesday, March 31, 2021	
	82.38
	39.87
	(249.33)
	-
	(387.85)
	(637.18)
	(514.94)

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

17 Borrowings

(a) Secured term loans from Bank

State Bank of India TL (GECL)

IDFC First Bank- Vehicle Loan

(b) Unsecured Loans

From Directors

From Relative of Directors

	As At Thursday, March 31, 2022		As At Wednesday, March 31, 2021	
	Non Current	Current	Non Current	Current
State Bank of India TL (GECL)	68.86	58.33	127.49	48.61
IDFC First Bank- Vehicle Loan	-	10.62	10.62	10.05
(b) Unsecured Loans				
From Directors	72.67	-	141.97	-
From Relative of Directors	137.56	-	158.91	-
	279.09	68.95	439.00	58.66

17.1 As per Information loan from Directors and Relative of directors are for long term hence considered as Non-Current in the Financial Statements.

17.2 GECL loan of Rs. 1.75 Crore was availed during 2020-21, repayable in 36 equated monthly installments of Rs. 486112/- along with monthly interest. As per latest renewal letter dated 27.01.2022, applicable rate of interest is 8.65 % i.e. MCLR + 2%.

17.3 Maturity Profile of Loans are as set out below :

Particulars	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	More than 4 Yrs
<u>Secured:</u>				
State Bank of India TL (GECL)	58.33	10.52	-	-
<u>Unsecured:</u>				
Loans From Directors	-	-	-	72.67
Loans From Others	-	-	-	137.56

18 Trade Payables

Outstanding for more than one year

a) Unsecured, Considered Good :

	As At Thursday, March 31, 2022	As At Wednesday, March 31, 2021
	-	-

18.1 Trade Payables Ageing Schedule

Particulars	Outstanding for following period from due date of Transaction*				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

* Ageing of Creditors has been provided based on the date of transaction.

* Figures in Bracket & Italic represents the amount with respect to previous year.

19 Deferred tax liabilities (net)

Deferred Tax Liability

Related to Depreciation of Fixed assets

Related to Carried Forward loss and Unabsorbed Dep.

	As At Thursday, March 31, 2022	As At Wednesday, March 31, 2021
	-	-

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

20 Borrowings

- (a) Loans repayable on demand
 (i) From banks
 Secured (State bank of India)
 (carrying Interest effective rate 8.65 % P.A.)
 (b) Current Maturities of Long term debt

As At Thursday, March 31, 2022	
	161.55
	68.95
	<u>230.50</u>

As At
Wednesday, March 31, 2021

443.32
58.66
501.98

20.1 Credit Facilities from State Bank of India of Rs. 1.75 (Sanctioned Limit) are secured by Hypothecation Charge on Entire Current Assets Comprising Stock of Raw Material, Finish Goods, Stores & Spares, Stock in WIP (Present & Future) Sundry debtors and other Current Assets.

20.2 These Credit facilities has been latest sanctioned/renewed on 27.01.2022 at applicable interest rate of 8.65 % i.e. MCLR + at Spread of 2%.

20.3 Credit Facilities from State Bank of India is secured by personal Guarantee of the directors of the Company.

21 Trade Payables

- Outstanding for less than one year
 a) Unsecured, Considered Good :

As At Thursday, March 31, 2022	
	94.00
	<u>94.00</u>

As At
Wednesday, March 31, 2021

60.34
60.34

21.1 Trade Payables Ageing Schedule

Particulars	Outstanding for following period from due date of Payment/Transaction*				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	0.07	-	-	-	0.07
(ii) Others	92.60 (41.91)	- (18.43)	1.33	-	93.93 (60.34)
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

* Ageing of Creditors has been provided based on the date of transaction.

* Figures in Bracket & italic represents the amount with respect to previous year.

22 Other Current liabilities

- (a) Creditors for Expenses
 (b) Statutory Dues
 (c) Retention Money
 (d) Interest Payable on Bank Loan

As At Thursday, March 31, 2022	
	29.00
	11.79
	-
	-
	<u>40.79</u>

As At
Wednesday, March 31, 2021

51.26
5.15
0.51
0.26
57.17

23 Provisions

- Provision for Employee Benefit
 Provision for Salary
 Provision for PF and ESIC

Audit Fees Payable

As At Thursday, March 31, 2022	
	1.59
	0.03
	0.50
	<u>2.13</u>

As At
Wednesday, March 31, 2021

1.77
0.05
0.50
2.32

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

24	Revenue From Operations :	For the year ended 2021-22		For the year ended 2020-21	
	Sales of Products			4.05	
	Job Work- PSF	-		216.75	
	Sales-Nylon Granules (JDR)	614.30		0.24	
	Sales (Nylon Staple Fibre)	-		66.23	
	Sales-PSF (JDR)	9.02		177.18	464.45
	Sales Waste (PSF)	132.20	755.53		
	Less: -				
	Sales Return and discount		(8.82)		(1.95)
			746.70		462.50
	Other operating revenues				
	Freight & Forwarding	16.56	16.56	5.25	5.25
			763.27		467.75
25	Other Income :	For the year ended 2021-22		For the year ended 2020-21	
	<u>Interest Income</u>				
	Interest on I.T. Refund	0.10		-	
	Interest On Security Deposit	0.73		0.39	
	Interest on Fixed Deposit	-	0.82	0.42	0.81
	<u>Others</u>				
	Misc. Income	-		0.53	
					0.53
			0.82		1.34
26	Cost of Raw material Consumed	For the year ended 2021-22		For the year ended 2020-21	
	<u>Raw Material Consumed</u>				
	Purchase Nylon & Nylon Waste				
	Opening Stock	124.34		120.94	
	Add: Purchases (Net of return & Discount)	404.65		160.56	
	Less: Sundry Accounts written off	(29.89)		-	
	Less: Closing Stock	(75.23)	423.87	(124.34)	157.17
	Purchase Pet & Pet Waste				
	Opening Stock	193.12		609.96	
	Add: Purchases	2.13		1.10	
	Less: Closing Stock	(95.53)	99.72	(193.12)	417.94
	Less: Purchase returns and discount				
			523.59		575.11

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

27	Changes in Inventories			
	Stock of Nylon granules			
	Opening Balance	10.81	26.21	
	Closing Balance	(19.71)	(10.81)	
				15.40
		(8.91)		
	Stock of Fibre			
	Opening Balance	20.03	89.56	
	Closing Balance	(10.07)	(20.03)	
				69.53
		9.96		
		1.05		84.94
28	Employment Benefit Expenses :			
	Director's Remuneration	6.00		12.00
	Wages Expenses	9.12		6.93
	Admin Salary Expenses	3.86		2.44
	ESIC Expenses	0.01		0.04
	Provident Fund	0.47		0.64
		19.47		22.04
29	Financial Cost :			
	Bank Charges & Commission	3.48		3.09
	Bank Interest	47.92		75.47
	Interest on Car Loan	2.17		3.75
		53.56		82.31
30	Depreciation & Amortised Cost :			
	Depreciation	74.07		154.91
		74.07		154.91

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

31

Other Expenses :

Manufacturing Expenses

Consumables, Stores and Spare:

Opening Stock

Add: Purchases

Less: - Closing Stock

Direct Expenses:-

Inward Freight Expenses

Laboratory & Boiler Expenses

Power & Fuel Charges

Repair & Maintenance Charges

Water Expenses

Total of Direct Exp (A)

Indirect Expenses

Advertisement Expenses

Auditors Remuneration

Conveyance Expenses

Discount

Insurance Expenses

Interest & Penalties

GST Expenses

Legal, Professional & Consultancy Fees

Membership Fees

Office Expenses

Rates & Taxes

Transportation Charges

Travelling Expenses

Vehicle Repair & Maintenance

Total of Indirect Exp (B)

Total Other Exp. (A+B)

	For the year ended 2021-22		For the year ended 2020-21	
	16.04		43.53	
	6.70		2.02	
	(4.26)	18.49	(16.04)	29.50
	13.16		4.58	
	-		0.21	
	51.96		25.48	
	5.51		3.54	
	-	70.63	0.09	33.90
		89.12		63.40
	0.21		0.15	
	0.50		0.50	
	0.08		0.08	
	2.10		(0.00)	
	2.50		2.50	
	0.34		0.55	
	1.79		0.39	
	2.73		3.44	
	6.23		0.26	
	0.01		0.24	
	4.81		6.37	
	18.11		9.85	
	0.14		0.02	
	0.34	39.91	0.23	24.58
		39.91		24.58
		129.03		87.98

31.1

Payment to Auditors as

Particulars	2021-22	2020-21
For Statutory Audit	0.33	0.33
For Tax Audit	0.18	0.18
Total	0.50	0.50

32

EARNINGS PER SHARE

Particulars

(1)

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders

(2)

Weighted Average number of equity shares used as denominator for calculating EPS

(3)

Basic and Diluted Earnings per share (Rs.)

(4)

Face Value per equity share (Rs.)

	2021-22	2020-21
	27.98	(387.85)
	49.46	49.46
	0.57	(7.84)
	10.00	10.00

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

33

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

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.
SUNCITY INDUSTRIES 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
MADHU TEXTILES SHOW ROOM
SALAWAS METALS PVT. LTD.
SURESH KAWAD HUF
SHAKUNTALA LODHA
ANITA JAIN
SAMYAK JAIN

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	18.07	11.79
Unsecured Loan Obtained	16.07	2.00
Unsecured Loan repaid	2.00	9.79
Key Management Personnel	183.10	132.58
Directors Remuneration	6.00	12.00
Unsecured Loan Obtained	123.20	84.58
Unsecured Loan repaid	53.90	36.00
Relatives of Key Management Personnel	57.95	400.71
Unsecured Loan Obtained	27.45	204.70
Unsecured Loan repaid	30.50	196.01
Grand Total	259.12	545.08

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

Particulars	O/s Balances of	
	Current Year	Previous Year
Enterprise Owned or Controlled by KMPs	1.34	14.34
Unsecured Loans	1.34	14.34
Key Managerial Personnel	72.67	144.06
Unsecured Loans	72.67	144.06
Relatives of Key Management Personnel	136.22	135.07
Unsecured Loans	136.22	135.07
Grand Total	210.24	293.48

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

34 CONTINGENT LIABILITIES AND COMMITMENTS

As Informed by the Management of the company and as per our observation under audit, there is a Contingent liability of duty saved value of Rs.24,40,814.78/- In respect of EPCG Obligation dated 07.09.2012, License No.1330003534 and of duty saved value of Rs.81,99,190.50/- In respect of EPCG Obligation dated 06.07.2012, License No.1330003481.

35

Quarterly Returns/Statements of current assets filed by the company with the banks/financial institutions in comparison to Amount as per Books of Accounts

Quarter	Name of Bank	Particulars of Securities provided	Stock as per Books of Accounts	Amount of Stock reported in the Quarterly Return/Statement	Amount of Difference	Reason for Material Discrepancies
Quarter Ended June-2021	State Bank of INDIA		343.83	343.44	0.39	N.A.
Quarter Ended September-2021	State Bank of INDIA		315.49	315.17	0.32	N.A.
Quarter Ended December-2021	State Bank of INDIA	Current Assets namely:- Stock and Debtors	273.33	273.33	-	N.A.
Quarter Ended March-2022	State Bank of INDIA		204.80	250.04	(45.24)	Due to difference in method of Valuation of stock at the time of submission into bank.
Quarter	Name of Bank	Particulars of Securities provided	Book Debts ageing 6 Months as per Books of A/c's	Book Debts ageing 6 Months as submitted in Quarterly return	Amount of Difference	Reason for Material Discrepancies
Quarter Ended June-2021	State Bank of INDIA		39.70	39.53	0.17	N.A.
Quarter Ended September-2021	State Bank of INDIA	Current Assets	38.05	38.22	(0.17)	N.A.
Quarter Ended December-2021	State Bank of INDIA	namely:- Stock and Debtors	33.51	32.62	0.89	N.A.
Quarter Ended March-2022	State Bank of INDIA		30.68	29.80	(29.80)	N.A.

36 Ratio Analysis and Justifications: -

S. No.	Ratio Analysis	Numerator	Denominator	Current Year	Previous Year	Difference in %
a.	Current Ratio	279.87	367.42	0.76	0.65	16.58
b.	Debt-Equity Ratio*1	509.59	7.62	66.85	(46.22)	(244.63)
c.	Debt Service Coverage Ratio*2	152.14	108.42	1.40	(1.04)	(235.27)
d.	Return on Equity Ratio*3	(25.99)	7.62	(3.41)	25.65	(113.29)
e.	Inventory turnover Ratio*4	622.88	284.57	2.19	1.16	87.99
f.	Trade Receivables turnover Ratio*5	746.70	41.32	18.07	8.44	114.05
g.	Trade payables turnover Ratio*6	406.78	77.17	5.27	2.18	141.56
h.	Net capital turnover Ratio*7	746.70	(87.54)	(8.53)	(2.15)	297.45
i.	Net profit Ratio*8	(36.67)	746.70	(0.05)	(1.16)	(95.78)
j.	Return on Capital employed*9	13.41	626.98	0.02	(0.45)	(104.77)
k.	Return on Investment*10	(36.67)	332.17	(0.11)	(0.93)	(88.10)

*1 Debt Equity Ratio: - During the year company has paid off its debt from the proceeds of partial sale of factory premises. Thereby there is reduction in debt as compare to last year.

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

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

- 12 Debt Service Coverage Ratio: - There is variation in debt service coverage ratio as compare to last year. There are two main reasons for same, one is during covid period there was decrease in prices of raw material and finish goods thereby company suffered heavy losses on stock. Thereby during company reported loss of Rs. 5.38 Crores as compare to loss of Rs. 36.67 lacs during 2021-22. Further there is decrease in debt component thereby reduce in debt liability.
- 13 Return on Equity Ratio: - During the year 2020-21 company incurred heavy losses due to decrease in prices of raw material and finish goods, thereby profit/(loss) available for equity share holders was Rs. (3.87) crores in 2020-21 as compare to profit of Rs. 27.98 lacs for 2021-22.
- 14 Inventory turnover Ratio: - Variation in Inventory turnover Ratio as compare to last year is on account of two reasons 1) Increase in sales in 2021-22 as compare to previous year and 2) decrease in average inventory holding of the company during 2021-22.
- 15 Trade Receivables turnover Ratio: - Variation in Trade receivable turnover ratio as compare to last year is on account of two reasons 1) Increase in sales in 2021-22 as compare to previous year and 2) decrease in average trade receivable of the company during 2021-22.
- 16 Trade payables turnover Ratio: - There was wide variation in trade payable turnover ratio on account reduction of purchases during 2021-22. As during the year company has sold goods from inventory holdings.
- 17 Net capital turnover Ratio: - Variance in net capital turnover ratio as compare to previous year was on account of increase in sales in 2021-22.
- 18 Net profit Ratio: - There was operating loss of Rs. 5.38 Crores during previous year 2020-21 as compare to loss of Rs. 36.67 lacs during current year. Also there was increase in sales during current year as compare to previous year.
- 19 Return on Capital employed: - Variation in return on capital employed during 2021-22 as compare to year 2020-21 was on account of decrease in loss during current year. Further there was decrease in capital employed on account of reduction in debt.
- 20 Return on Investment: - Wide variation in ratio as compare to previous year was on account of decrease in loss during current year.

For And On Behalf Of The Board

For N A W S & Co. LLP
Chartered Accountants
(Firm Reg. No. : 120882W)

CA Sumit Khetan
Designated Partner
Mem. No.: 061911
UDIN: 22061911AJCYS7467
Place: Surat
Date: 14/05/2022

Company Secretary
Wridula Agarwal

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971923

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Statement of Cashflow for the year ended 31st March, 2022

Particulars	Note	(Amount in Lakhs)	
		For the year ended 31-03-2022	For the year ended 31-03-2021
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax and Extraordinary Items		17.29	(403.95)
Add:			
Preliminary expenses		-	-
Depreciation		74.07	154.91
Financial Cost		53.56	82.31
		127.63	237.23
		144.92	(166.72)
Less: Other Income (Consider Separately)		(0.82)	(0.81)
Less: Profit on Sale of Fixed Assets		(53.97)	(134.26)
Cash from Operation	Total - A	90.13	(301.78)
Less: Adjustment for Working Capital Changes			
Add/(less):			
Decrease in Other current Liabilities		(16.39)	(46.18)
Decrease in Trade Payable		33.66	(27.49)
Decrease in short term provision		(0.20)	(6.39)
Decrease in Trade Receivables		(23.45)	50.38
Decrease in Other Financial Liabilities		-	32.88
Decrease in Other Financial Assets		-	(0.38)
Increase in Short Term Loans and Advances		0.35	(0.35)
Decrease in Inventories		159.54	525.87
Decrease in other Current Assets		1.48	2.51
		154.99	530.87
	Total - B	154.99	530.87
Cash Generated from Operations after Working Capital Changes (A + B)	(C)	245.12	229.08
Less: Income Tax Paid		-	-
Net Cash Flow from Operating Activities	(D)	245.12	229.03
B. Cash Flow from Investing Activities			
Add:			
Interest Received		0.82	0.81
Decrease in long term Loans and Advances		22.69	-
Sale of Fixed Assets		229.56	196.99
		253.07	197.80
Less:			
Purchase of Fixed Assets		(1.77)	(2.36)
		(1.77)	(2.36)
Net Cash Flow from Investing Activities	(E)	251.30	195.44

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Statement of Cashflow for the year ended 31st March, 2022

Particulars	Note	(Amount in Lakhs)	
		For the year ended 31-03-2022	For the year ended 31-03-2021
C. Cash Flow from Financing Activities			
Less: Decrease in Working Capital Facilitates		(271.48)	(513.26)
Increase/(Decrease) in long term borrowings		(159.90)	171.14
Less: Finance Cost		(53.56)	(82.31)
		(484.95)	(424.44)
Net Cash Flow from Financing Activities	(F)	(484.95)	(424.44)
Net Changes in Cash & Cash Equivalents (D+E+F)		11.47	0.08
Opening Balance of Cash & Cash Equivalents		2.35	2.27
Closing Balance of Cash & Cash Equivalents		13.82	2.35

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of SUNCITY SYNTHETICS LTD. for the period ended 31st March, 2022. 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 Statement and Balance Sheet of the Company covered by our Report of March 31, 2022 to the members of the Company.

As per our report of even date attached.

for N A M S & CO. LLP
Chartered Accountants.
(Firm Reg. No. : 120880W/W100777)

For And On Behalf Of The Board

CA Sumit Khetan
Designated Partner
Mem. No.: 061911
UDIN: 22061911AJCYCS7467
Place: Surat
Date: 14/05/2022

Company Secretary
Mridula Agarwal

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971928

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Statement of changes in equity for the year ended 31st March, 2022

Schedule:-2

A. Equity Share Capital

Particulars	Note	Authorised		Issued, Subscribed and Paid-up	
		Number of Shares	Amount	Number of Shares	Amount
Balance at 1 April 2020	15	70.00	700.00	49.46	494.58
Changes in Equity Share Capital due to Prior Period Errors		-	-	-	-
Restated Balance at the Beginning of the Current reporting period		70.00	700.00	49.46	494.58
Changes in equity share capital during the year		-	-	-	-
Balance at 31st March, 2021		70.00	700.00	49.46	494.58
Balance at 1 April 2021	15	70.00	700.00	49.46	494.58
Changes in Equity Share Capital due to Prior Period Errors		-	-	-	-
Restated Balance at the Beginning of the Current reporting period		70.00	700.00	49.46	494.58
Changes in equity share capital during the year		-	-	-	-
Balance at 31st March, 2022		70.00	700.00	49.46	494.58

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Statement of changes in equity for the year ended 31st March, 2022

Schedule:-2

B. Other Equity

Particulars	Note	Retained Earnings	Subsidy	Share Forfeiture Reserve	Total Other Equity
Balance at 1 April 2020	16	(249.33)	39.87	82.38	(127.09)
Changes in Accounting Policy or Prior Period Errors		-	-	-	-
Restated Balance at the Beginning of the Current reporting period		(249.33)	39.87	82.38	(127.09)
Profit/Loss for the year		(387.85)	-	-	(387.85)
Others		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the year		(387.85)	-	-	(387.85)
Dividends Paid		-	-	-	-
Transfer to Retained Earnings		-	-	-	-
Balance at 31st March, 2021		(637.18)	39.87	82.38	(514.94)
Balance at 1 April 2021	16	(637.18)	39.87	82.38	(514.94)
Changes in Accounting Policy or Prior Period Errors		-	-	-	-
Restated Balance at the Beginning of the Current reporting period		(637.18)	39.87	82.38	(514.94)
Profit/Loss for the year		27.98	-	-	27.98
Others		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the year		27.98	-	-	27.98
Dividends Paid		-	-	-	-
Transfer to Retained Earnings		-	-	-	-
Balance at 31st March, 2022		(609.20)	39.87	82.38	(486.96)

for N A M S & CO. LLP
Chartered Accountants.
(Firm Reg. No. : 120880W/W100777)

For And On Behalf Of The Board

CA Sumit Khetan
Designated Partner
Mem. No.: 061911
UDIN: 22061911AJCYCS7467
Place: Surat
Date: 14/05/2022

Company Secretary
Aridula Agarwal

Managing Director
Suresh Jain
DIN: 00337493

Whole Time Director
Poonam Jain
DIN: 01971923

Suncity Synthetics Limited
205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Surat - 395002
CIN:L17110GJ1988PLC010397

Notes on Financial Statements for the year ended 31st March, 2022

Schedule :- 3 Property, Plant & Equipment

(Amount in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				SLM	
	OPENING BLOCK	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	CLOSING BLOCK	OPENING DEPRECIATION	DEPRECIATION DURING THE YEAR	DEDUCTION OF DEPRECIATION	CLOSING DEPRECIATION	CURRENT YEAR WDV	PREVIOUS YEAR WDV
BUILDING (Previous Year)	334.57	-	-	265.79	102.44	10.72	44.75	68.42	197.38	232.13
BUILDING	265.79	-	-	181.31	68.42	8.63	23.31	53.74	127.57	197.38
Building (Fiber Unit)	220.87	-	-	136.39	54.73	7.21	23.31	38.63	97.76	164.15
Building (Big Unit & TTP Plant)	39.92	-	-	39.92	11.23	1.26	-	12.48	27.43	28.69
Office at Surat	5.00	-	-	5.00	2.46	0.16	-	2.62	2.38	2.54
COMPUTERS (Previous Year)	4.47	-	-	4.47	4.44	-	-	4.44	0.03	0.03
COMPUTERS	4.47	-	-	4.47	4.44	-	-	4.44	0.03	0.03
Computer	4.47	-	-	4.47	4.44	-	-	4.44	0.03	0.03
PLANT AND MACHINERY (Previous Year)	1,742.47	2.36	339.53	1,405.29	1,432.25	122.18	319.05	1,235.37	169.92	310.22
PLANT AND MACHINERY	1,393.27	-	2.36	1,392.91	1,223.35	45.09	0.20	1,270.24	122.68	169.92
Plant & Machinery	538.62	-	-	338.62	508.76	1.08	-	509.84	28.78	29.86
Plant and Machinery (Fiber Unit)	856.63	-	-	854.30	716.59	44.01	0.20	760.40	93.89	140.06
ELECTRICAL INSTALLATIONS AND EQUIPMENTS (P.Y.)	146.12	-	-	139.38	98.77	14.86	5.08	108.55	30.83	47.34
ELECTRICAL INSTALLATIONS AND EQUIPMENTS	139.38	-	-	139.38	108.55	14.24	-	122.79	16.59	30.83
Excavation	139.38	-	-	139.38	108.55	14.24	-	122.79	16.59	30.83
OFFICE EQUIPMENTS (Previous Year)	13.06	-	-	13.06	11.92	0.26	-	12.18	0.88	1.14
OFFICE EQUIPMENTS	13.06	-	-	13.06	12.18	0.14	-	12.31	0.75	0.88
Air Conditioner	1.84	-	-	1.84	1.32	0.14	-	1.66	0.19	0.32
Office Equipments	11.22	-	-	11.22	10.86	-	-	10.66	0.56	0.56
MOTOR VEHICLES (Previous Year)	127.82	-	-	127.82	101.79	6.90	-	108.69	19.13	26.03
MOTOR VEHICLES	127.82	-	4.93	122.87	108.69	5.97	2.25	112.40	10.47	19.13
AUDI Q3	28.90	-	-	28.90	23.70	3.20	-	26.89	2.01	3.20
HERO SPLENDOR	0.47	-	-	0.47	0.31	0.04	-	0.36	0.12	0.16
SWIRAL MAZDA	11.03	-	-	11.03	8.85	1.31	-	10.16	0.89	2.20
Vehicles	85.87	-	4.93	80.92	74.38	1.41	2.25	73.54	7.38	11.49
Wagon & Old Car Model 2007	1.33	-	-	1.33	1.43	-	-	1.43	0.08	0.08
LAND (Previous Year)	178.43	-	-	161.88	-	-	-	-	161.88	178.43
LAND	161.88	1.77	-	163.65	-	-	-	-	161.88	178.43
LAND	161.88	1.77	-	163.65	-	-	-	-	161.88	178.43
Grand Total	2,107.67	1.77	201.35	1,908.08	1,527.61	74.07	25.76	1,575.92	332.17	580.06
Previous Year Figures	2,546.95	2.36	431.62	2,117.69	1,731.60	154.91	368.88	1,537.63	580.06	795.35

"Annexure A"

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, 2022

[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. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022 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; **(Not applicable to the Company during the Audit Period);**
- 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 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. *Entire shareholding of promoter(s) and promoter group is not in dematerialized form as required in accordance with provision of Regulation 31 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements),*

Regulation 2015.

2. *Company has not produced before us confirmation of Registration of Independent Directors namely Smt. Rachana Akshaya Kataria and Shri Deepak Sharma in Independent's Directors Databank.*

We further report that:

The compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the 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.

Place: Surat

Date: 14/07/2022

UDIN: F003530D000624667

Peer Review Certificate No. : 1315/2022

Unique Code Number: 1496

For K. Dalal & Co.
Company Secretaries

Sd/-
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 -I' and forms an integral part of this report.

'Annexure -I'

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

Our 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.

Place: Surat
Date: 14/07/2022
UDIN: F003530D000624667
Peer Review Certificate No. : 1315/2022
Unique Code Number: 1496

For K. Dalal & Co.
Company Secretaries

Sd/-
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"> o Loans and advances in the nature of loans to subsidiaries by name and amount: NIL o Loans and advances in the nature of loans to associates by name and amount: NIL o 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

- Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results: 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 further 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:

The company has adequate internal control systems and is in process of further strengthening the existing internal control systems. The financial statements are reviewed periodically by the management. The company has set up an internal Audit trail whereby deviations, if any, can be brought to the notice of the management quickly and remedial actions are initiated immediately.

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

Particulars	Amt. in Lakhs	
	As on 31/03/2022	As on 31/03/2021
Turnover and other income	764.09	469.08
Gross profit/Loss (-) before Financial Charges & depreciation	164.30	(300.98)
Financial Costs	53.56	82.31
Profit/Loss(-) before depreciation	110.74	(383.29)
Depreciation and Amortization Expenses	74.07	154.91
Profit /Loss(-) After Tax for the year	27.98	(387.85)

(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.

(i) Details of significant changes in key financial ratios:-

Key indicators:-

Particulars	F.Y. 2021-22	F.Y. 2020-21
Inventory Turnover Ratio	2.19	1.16
Interest Coverage Ratio	-	(3.84)
Debt Equity Ratio	66.85	(46.22)
Gross Profit Ratio	-	(56.67)
Net Profit Ratio*	(0.05)	(1.15)

*Before Exceptional items and Tax.

Explanation:

1. Inventory Turnover Ratio: Inventory Turnover of the company has decreased, primarily the reason being decrease in Sales. The Sales of the company has been reduced due to non-availability of raw materials, as the government has banned import of washed flakes and company had to stop its production. Secondly, the lockdown imposed in the country due to Covid-19 Pandemic, there was no manufacturing operations in Quarter 1 and 2 of F.Y.2021-22.

2. Interest Coverage Ratio: The sharp decrease in sales had a direct impact on company's earnings. The company had no profits during the year. The Interest Coverage Ratio of the company is negative as the company has incurred losses during the year.

3. Debt Equity Ratio: The Debt Equity ratio of the company is negative due to negative Equity which has resulted due to losses incurred by the company in last 2 years.

4. Gross Profit Ratio: The company's financials shows a negative Gross profit ratio primarily as a result of sharp decrease in Sales, lower production and high consumption. Also, there is a decrease in raw material prices in the market due to lockdown and decrease in demand of products and stock has been valued at lower of cost or realizable value.

5. Net Profit Ratio: As discussed earlier, due to lockdown and other reasons there were no manufacturing operations in Quarter 1 and 2 of F.Y.2021-22 as well as operations are standstill due to decrease in prices of finished goods and other factors. Thus, the company had no Operating Profit to meet its non-operating expenses, resulting in Net Loss and a Negative Net profit Ratio.

Details of any change in Return on Net worth as compared to immediately previous financial year.

Particulars	Amt. in Lakhs	
	F.Y. 2021-22	F.Y. 2020-21
Profit after Exceptional items & Taxes	27.98	(387.85)
Equity	7.62	(20.36)
Return on Net Worth*	-	-

*As the Net worth of the company is negative, there is no return on net worth in F.Y.21-22

Explanation:-

The company has been incurring losses in the last 2 years. Losses are as a result of Sharp decrease in Sales which resulted due to non-availability of raw materials, as the government has banned import of washed flakes and company had to stop its production. Also, there were no manufacturing operations in Quarter 1 and 2 of F.Y.2021-22 as well as operations are standstill due to decrease in prices of finished goods and other factors.

The losses accumulated in past 2 years due to Pandemic and Governmental factors resulted in negative Equity of the company and there are no profits made by the company during the year. Thus, there is no Return on Net worth during the year.

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: 15/07/2022

By Order of the Board
For Suncity Synthetics Limited

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

Route Map of the Venue of the Annual General Meeting



ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall of 32nd
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 Annual General Meeting of **Suncity Synthetics Limited** held on Tuesday, 27th September, 2022 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 Tuesday, 27th September, 2022 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 Audited Financial Statements and the reports of the Board of Directors for the year ended 31/03/2022		
2	Re-appointment of Shri Suresh Dhanraj Kavarjain as director		
Special Business:-			
3	To appoint M/s. S. Gandhi & Associates, Chartered Accountants, (FRN: 116673W) as Statutory Auditors of Company		

Signed this.....day of.....2022

Signature of Shareholder

Affix Revenue

Signature of Proxy holder(s)

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.

Form No. MGT-12**Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:

Suncity Synthetics Limited

Registered office:

205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat 395002

BALLOT PAPER

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No./*Client ID No. (Applicable to investors holding shares in dematerialized form)	
4.	Class of Shares	

I hereby exercise my vote in respect of Ordinary / Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the Resolution	I dissent to the Resolution
1.	Adoption of Audited Financial Statements and the reports of the Board of Directors for the year ended 31/03/2022. (Ordinary Resolution)			
2.	Re-appointment of Shri Suresh Dhanraj Kavarjain as director (Ordinary Resolution)			
3.	To appoint M/s. S. Gandhi & Associates, Chartered Accountants, (FRN: 116673W) as Statutory Auditors of Company (Special Resolution)			

Place:

Date:

Signature of Shareholder