

Suncity Synthetics Limited

CIN: L17110GJ1988PLC010397

**Registered Office: 129/B Wing, Ansa Industrial Estate, Saki Naka, Andheri East, Mumbai
400072.**

37th ANNUAL REPORT 2024-2025

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NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the members of Suncity Synthetics Limited will be held on **Saturday, 2nd August, 2025 at 02:00 p.m.** through Video Conferencing / Other Audio Visual Means (VC/OAVM) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2025 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ramesh Chandra Mishra (DIN: 00206671) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

3. **TO APPOINT MR. AMARENDRA MOHAPATRA, COMPANY SECRETARIES IN PRACTICE AS SECRETARIAL AUDITORS FOR A TERM OF UPTO 3 (THREE) CONSECUTIVE YEARS AND FIXED REMUNERATION.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Company be and is hereby accorded for appointment of M/s Amarendra Mohapatra & Associates as the Secretarial Auditor (Membership No. A26257 and COP. 14901) of the Company for a period of 3 (Three) years, commencing on April 01, 2025, until March 31, 2028, to conduct a Secretarial Audit of the Company and to furnish the Secretarial Audit Report.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to them during their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the said Secretarial Auditors.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. TO CONSIDER THE REDUCTION OF CAPITAL OF THE COMPANY.

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

“RESOLVED THAT pursuant to Section 66 of the Companies Act, 2013 read with The National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 other applicable provisions, if any, of the Companies Act, 2013 or any amendment(s) thereto, Articles of Association of the Company, SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 (and amendments thereto) & Regulation 37 of SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015 and subject to confirmation/approval by the NCLT having appropriate Jurisdiction and subject to such other approvals, consents, permissions or sanctions of any other authority, body or institution, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India (hereinafter collectively referred to as “the concerned authorities”) as may be required, and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any of the concerned authorities, from time to time, while granting such approvals, consents, permissions or sanctions, the subscribed, issued and paid up equity share capital of the company with effective from the appointed date i.e. 1.4.2025 and after securing necessary approvals and permissions:

1. Set off Rs. 4,84,68,840/- (Rupees Four Crore, Eighty-Four Lakh Sixty-Eight Thousand, Eight Hundred Forty Only) fully paid up capital of the Company out of total accumulated Loss of Rs. 4,86,42,337/- (Rupees Four Crore Eighty-Six Lakh Forty-Two Thousand Three Hundred Thirty-Seven Only) against the paid up capital of the Company of Rs.4,94,58,000/- (Rupees Forty-Nine Crore Ninety-Nine Lakhs Fifty Seven Thousand Ten only) consisting of 49,45,800 fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only).
2. Accordingly, the reduction of capital is amount to **98 %** of the Paid up equity share capital of the Company.
3. the Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs.4,94,58,000/- (Rupees Four Crore Ninety-Four Lakh Fifty-Eight Thousand Only) consisting of 49,45,800 fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 9,89,160/- (Rupees Nine Lakhs Eighty-Nine Thousand One Hundred and Sixty only) divided into 98,916 (Ninety-Eight Thousand Nine Hundred and Sixteen) Equity Shares of Rs. 10/- (Ten only) each; and
4. Consequently, every shareholder of the Company, whose name appears on the Register of Members as on the Record Date, shall receive 2 Equity Share of Re.10/- (Rupees Ten each Only) in lieu of every 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each, held earlier in the Company;

RESOLVED FURTHER THAT the reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company and in respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number.

RESOLVED FURTHER THAT the balance fractional shares entitlements which could not rounded off shall be combined and rounded off to the nearest whole number and the said shares be kept in a separate demat account under control of the Chairman of the Audit committee and within 3-months post trading approval the same be sold in the open market and the sale proceeds of the factional

shares be distributed to the entitled shareholders by the chairman of the Audit Committee.

RESOLVED FURTHER THAT post reduction of capital of the Company, the new capital of the company will not exceed Rs. Rs. 9,89,160/- (Rupees Nine Lakhs Eighty-Nine Thousand One Hundred and Sixty only) divided into 98,916 (Ninety-Eight Thousand Nine Hundred and Sixteen) Equity Shares of Rs. 10/- (Ten only) each.

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to file the company petition for reduction of capital, implement, modify, amend and alter the scheme of reduction of capital of the company in accordance with the Order of the Hon'ble NCLT having appropriate Jurisdiction and such other authorities, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India.

AND RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution.”

5. TO IMPLEMENT THE REDUCTION OF CAPITAL OF THE COMPANY.

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

“RESOLVED THAT after reduction of the capital of the company , the paid up capital of the company be re-organised subject to such rights, privileges and conditions attaching thereto as are provided by the Memorandum and Articles of Association of the company with power to increase or reduce its capital from time to time and to divide the shares in the capital as per the Companies Act, 2013 or in any amendment or modification or re-enactment thereof and to attach thereto respectively with such preferential, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the said Companies Act or the Articles of Association of the Company and to vary, modify, enlarge or abrogate any such rights, privileges, conditions or restrictions in such manner as may be permitted by the said Companies Act 2013 to that extent applicable or by the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and hereby authorized to implement, modify, amend and alter the scheme of reduction of capital of the company in accordance with the Order of the NCLT having appropriate jurisdiction and such other authorities, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India, including:

- A. Fix the Book Closure/Record Date to give effect to the reduction of capital;
- B. make necessary application to the depositories including NSDL/CDSL and Registrar and Share transfer Agent; and
- C. issue new share certificates in accordance with Companies (Share Capital and Debentures) Rules, 2014.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and it is hereby authorised to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary”.

AND RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution.”

**By Order of Board of Directors
For, Suncity Synthetics Limited**

**Sd/-
Sumita Mishra
Managing Director
DIN: 00207928**

Date: - 21.06.2025

Place: - Surat

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of Item Nos. 3 to 5 of the accompanying Notice, is annexed hereto.
2. Ministry of Corporate Affairs (“MCA”) *vide* its General Circular No. 09/2024 dated September 19, 2024 read with circulars issued earlier on the subject (“MCA Circulars”) and SEBI *vide* its Circular No. SEBI/HO/CFD/CFD-PoD- 2/P/CIR/2024/133 dated October 3, 2024 read with the circulars issued earlier on the subject (“SEBI Circulars”), have permitted to conduct the Annual General Meeting (“AGM”) virtually, without physical presence of Members at a common venue.

In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 37th AGM of the Company is being held virtually.

The Notice convening this AGM along with the Integrated Annual Report for FY 2024-25 is being sent by electronic mode to those Members whose e-mail address is registered with the Company/Depositories, unless a Member has specifically requested for a physical copy of the same. Members may kindly note that the Notice convening this AGM and Integrated Annual Report for FY 2024-25 will also be available on the Company’s website www.suncitysyntheticsltd.in , website of the Stock Exchanges i.e. BSE Limited (BSE) at www.bseindia.com and on the website of Central Depository Services (India) Limited (CDSL) at www.evotingindia.com. The Company will also publish an advertisement in the newspapers containing details of the AGM and other relevant information for Members *viz.* manner of registering e-mail Id., Cut-off date for e-voting, Day, Date and time of commencement and end of remote e-Voting, etc.

3. The relevant details, pursuant to Regulations 36(3) of the Listing Regulations and Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM are provided as an annexure to the Notice. Requisite declarations have been received from Director/s for seeking appointment/re-appointment.
4. Since the 37th AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
7. Any person who is not a member post cut-off date should treat this notice for information purposes only.
8. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
9. Any person, who acquires shares and becomes a Member of the Company after sending the notice and holding shares as of the cut-off date, i.e., Saturday, 26th July, 2025, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or to the Registrar and Share Transfer Agent (RTA). However, if he/she is already registered with Central Depository Services (India) Limited (CDSL) for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
10. Mr. Amarendra Mohapatra, Practising Company Secretary (Membership No.: 26257 CP No. 14901) from M/s Amarendra Mohapatra & Associates, vide Board Resolution dated 21-06-2025 has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.
11. The Scrutinizer shall within a period not exceeding 2 (Two) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (Two) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing.
12. The Results shall be declared after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website viz. www.suncitysyntheticsltd.in and on the website of CDSL within 2 (Two) working days of passing of the resolutions at the AGM of the Company and the same will also be communicated to the Stock Exchanges.
13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories and a letter providing the web-link, including the exact path, where complete details of the Annual Report is available to those shareholders(s) who have not so registered. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website www.suncitysyntheticsltd.in websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL at helpdesk.evoting@cdslindia.com. The Company will also be publishing an advertisement in newspaper containing the details about the AGM i.e. the conduct of AGM through VC/ OAVM, date and time of AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses with the Company/ RTA and other matters as may be required.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular the Annual Report 2024-25, the Notice of the AGM and the Instructions for e-Voting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / respective Depository Participants. Members may also note that the Annual Report 2024-25 and the Notice convening the AGM are also available on the Company's website www.suncitysyntheticsltd.in websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL (agency for providing the Remote e-Voting facility) helpdesk.evoting@cdslindia.com.
16. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
19. Pursuant to Section 91 of the Act, The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 27th July, 2025 to Saturday, 2nd August, 2025 (both days inclusive) for the purpose of AGM.
20. The Registers maintained under Section 170 & 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection till the conclusion of AGM by the members based on the request being sent on suncitysyntheticslimited@gmail.com.
21. Member(s) must quote their Folio Number/ DP ID & Client ID and contact details such as email address, contact no. etc. in all correspondences with the Company/ RTA.

22. As per Regulation 40 of LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the RTA for assistance in this regard.
23. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
24. Pursuant to the provisions of Section 72 of the Act the Member(s) holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Company or its RTA. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
25. Member(s) holding shares in physical form is/ are requested to notify immediately any change of their respective addresses and bank account details. Please note that request for change of address, if found incomplete in any respect shall be rejected. Members holding shares in demat form are requested to notify any change in their addresses, e-mails and/or bank account mandates to their respective DPs only and not to the Company/ RTA for effecting such changes. The Company uses addresses, e-mails and bank account mandates furnished by the Depositories for updating its records of the Shareholders holding shares in electronic/demat form.
26. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, 4th July, 2025, have been considered for the purpose of sending the Notice of AGM and the Annual Report.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

Members are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) through e-voting.

The way to vote electronically on CDSL e-Voting system consists of “Two Steps” which are mentioned below:
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In terms of SEBI circular dated December 09, 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.

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as per listing agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the below provisions, through the e- voting services provided by CDSL.

1. Ministry of Corporate Affairs (“MCA”) *vide* its General Circular No. 09/2024 dated September 19, 2024 read with circulars issued earlier on the subject (“MCA Circulars”) and SEBI *vide* its Circular No. SEBI/HO/CFD/CFD-PoD- 2/P/CIR/2024/133 dated October 3, 2024 read with the circulars issued earlier on the subject (“SEBI Circulars”), have permitted to conduct the Annual General Meeting (“AGM”) virtually, without physical presence of Members at a common venue.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, respectively the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. 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 as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at : www.suncitysyntheticsltd.in . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.evotingindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024, respectively.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The Remote E-voting period begins on **Wednesday, 30th July, 2025 at 9:00 a.m. (IST) and end on Friday, 1st August, 2025 at 5:00 p.m. (IST)** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 26th July, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) 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 and joining virtual meetings 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	<ol style="list-style-type: none"> 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. 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 or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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.

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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. 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 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 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 or joining virtual meeting & voting during the meeting
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 or joining virtual meeting & voting during the meeting.</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 abovementioned 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

(v) Login method for e-Voting and joining virtual meeting 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the **EVSN – 250708009** for the relevant **“SUNCITY SYNTHETICS LIMITED”** on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - a. 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.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. 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.
 - d. 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.

- e. 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.
- f. 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; suncitysyntheticlimited@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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting i.e. Monday, July 28, 2025 mentioning their name, demat account number/folio number, email id, mobile number at suncitysyntheticlimited@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at suncitysyntheticlimited@gmail.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) .
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & 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.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For any other queries relating to the shares of the Company, you may contact the Registrar and Share Transfer Agent at the following address:

Registered Office of RTA

MUFG Intime India Private Limited,
CIN: U67190MH1999PTC118368
SEBI REG.NO. : INR000004058
C-101, 247 PARK, L.B.S. MARG,
VIKHROLI (WEST), MUMBAI -400083.
TEL: 022-49186000 Fax : 022-49186060
EMAIL : mumbai@in.mpms.mufig.com
WEB: www.in.mpms.mufig.com

**By Order of Board of Directors
For, Suncity Synthetics Limited
Sumita Mishra
Managing Director
DIN: 00207928**

**Date: - 21.06.2025
Place: - Surat**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE ACT AND REGULATION 36 OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO ITEM NOS. 3 to 5 MENTIONED IN THE ACCOMPANYING NOTICE

Item No. 3: TO APPOINT MR. AMARENDRA MOHAPATRA, COMPANY SECRETARIES IN PRACTICE AS SECRETARIAL AUDITORS FOR A TERM OF UPTO 3 (THREE) CONSECUTIVE YEARS AND FIXED REMUNERATION

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit, Risk Management and Ethics Committee and the Board of Directors at their respective meetings held on May 10, 2025 have approved and recommended the appointment of M/s Amarendra Mohapatra & Associates as the Secretarial Auditor (Membership No. A26257 and COP. 14901), Peer Reviewed Firm of Company Secretaries in Practice as Secretarial Auditors of the Company for a term of upto 3 (Three) consecutive years to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of 40th (Forty) AGM of the Company to be held in the Year 2028 on following terms and conditions:

- a. Term of appointment: Upto 3 (Three) consecutive years from the conclusion of this AGM till the conclusion of 40th AGM.
- b. Proposed Fees: Upto Rs. 40,000/- (Rupees Forty Thousand only) plus applicable taxes and other out-of-pocket expenses in connection with the secretarial audit for Financial Year ending March 31, 2026 and for subsequent year(s) of their term, such fee as determined by the Board, on recommendation of Audit Committee.

The proposed fees are based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be determined by the Board in consultation with the Secretarial Auditors and as per the recommendations of the Audit Committee.

- c. Basis of recommendations: The recommendations are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and SEBI LODR Regulations with regard to the full time partners, secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.
- d. Credentials: M/s Amarendra Mohapatra & Associates (Membership No. A26257 and COP. 14901) ('Secretarial Audit Firm'), is a reputed firm of Company Secretaries in Practice specialized in Secretarial Audit and other corporate law matters. The firm is registered with the Institute of Company Secretaries of India and has an experience of more than 10 years in providing various corporate law services. The Firm also holds a valid Peer Review Certificate.

M/s Amarendra Mohapatra & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits

under the Act & Rules made thereunder and SEBI LODR Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI LODR Regulations.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the resolution set out at Item No. 3 for approval of the Members as an Ordinary Resolution.

Item No. 4 & 5 TO CONSIDER THE REDUCTION OF CAPITAL OF THE COMPANY AND TO IMPLEMENT THE REDUCTION OF CAPITAL OF THE COMPANY

A. ACCUMULATED LOSSES

As on 31.3.2024 the accumulated losses of the company was of Rs 4,86,42,337/-

Particulars	(Amount in Rs.)		
	As on 31 st March 2025	Proposed Utilization for of reduction capital	Balance post Capital Reduction
Paid-up capital	4,94,58,000	4,84,68,840	9,89,160
Losses	-	-	(1,73,496)
Effective Capital			8,15,664

B. REDUCTION OF CAPITAL PROPOSAL:

The Board proposes to reduce the share capital of the company by Rs. 4,84,68,840/- which amount to 98 % reduction of capital of the Company.

1. set off Rs. 4,84,68,840/- (Rupees Four Crore-Eighty-Four Lakhs Sixty-Eight Thousand Eight Hundred Forty Only) fully paid up capital of the Company against the available total accumulated Loss of Rs. 4,86,42,337/- (Rupees Four Crore Eighty-Six Lakhs Forty Two Thousand Three Hundred Thirty-Seven Only) ;
2. Accordingly, the Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs.4,94,58,000/- (Rupees Four Crore Ninety-Four Lakhs Fifty-Eight Thousand Only) consisting of 49,45,800 fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 9,89,160/- (Rupees Nine Lakhs Eighty-Nine Thousand One Hundred and Sixty only) divided into 98,916 (Ninety-eight Thousand Nine Hundred and Sixteen) Equity Shares of Rs. 10/- (Ten only) each;
3. Post reduction of capital of the Company, the subscribed and paid of capital of the company will be of Rs. 9,89,160/- (Rupees Nine Lakhs Eighty-Nine Thousand One Hundred and Sixty only) divided into 98,916 (Ninety-eight Thousand Nine Hundred and Sixteen) Equity Shares of Rs. 10/- (Ten only) each.

The Company shall also with make all applications/petitions under Section 66 of the Companies Act, 2013, NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016) and other applicable provisions of the Act to the NCLT of Judicature at Mumbai Maharashtra for sanctioning of this Reduction of Capital of the Company under the Provisions of Companies Act, 2013 and rules framed there under and obtain all approvals as may be required under law.

C. RATIONALE AND PURPOSE OF REDUCTION OF SHARE CAPITAL

C.1. The company suffered losses on account of Trading and other businesses from time to time due to commercial market condition both in India & Abroad. Non-receipt of the outstanding's from various parties after follow ups, legal recourses, etc.

C.2. The Company has been incurring losses for past couple of years AND due to business Loss and inadequate working capital facilities the present business of the company suffered. The Board could not scale the businesses because of proper finance restructuring on account of accumulated losses part of the financials of the Company.

C.3. In view of the accumulated carry forward losses that the Company's Balance Sheet is not reflecting at its actual value and with the future prospect of growth and value addition to the shareholders, the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion programs that has been considered for development would need huge amount of investment both in terms of equity as well as debt.

C.4. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.

C.5. The reduction envisaged under this Scheme will not have any impact on shareholding pattern or the capital structure of the Company. The proposed reduction will be for the benefit of the Company and its shareholders.

C.6. The proposed reduction of share capital also does not envisage any payout to any shareholder or any sacrifice on the part of any creditor. Accordingly, the reduction of share capital should not result in any adverse impact on the creditors.

C.7. The proposed reduction of the paid-up share capital of the company does not involve any payment of the paid up share capital to the shareholders of the Company nor does it result in extinguishment of any liability or diminution of any liability or any outstanding payments to any creditors.

C.8. The Scheme does not envisage transfer or vesting of any properties and/or liabilities of the company to any person or entity. The Scheme does not involve any conveyance or transfer of any property of the Company.

C.9. The reduction of Capital does not result in diminution of any liabilities of the Company, in respect of any unpaid capitals nor entails payment to any shareholder of any paid-up capital.

C.10. The Management of the Company in compliance with regulation 3 & 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 changed and the new management to boost the businesses of the company needs to restructure the capital of the Company.

D. OBJECTS / BENEFITS ARISING OUT OF THE SCHEME

D.1. The Company's book would more accurately represent its financial position.

D.2. The right-sizing of the balance sheet is likely to facilitate the efforts of the Company while raising funds and obtaining debt from Banks and Financial Institutions.

D.3. This reduction of capital of the company will help the company to raise fresh capital by private Placement basis.

D.4. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Company while raising funds and commercial growth of the Company.

D.5. The Scheme is only for reduction of share capital of the Company and it does not envisage transfer or vesting of any properties and / or liabilities to or in favour of the Company.

D.6. This Scheme is in the interest of all the shareholders, creditors and other stakeholders of the Company and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

D.7. Hence, the Board believe that in order to present a fair position of the affairs of the Company, the most efficient option available to the Company would be to utilize the balance lying in the Securities Premium Account to the extent of writing off the Accumulated Losses of the Company, subject to the confirmations / sanctions of the requisite majority of the shareholders of the Company and the NCLT and such other appropriate authority, as may be applicable.

D.8. By virtue of article 37 of Articles of Association of the Company, the Company is authorized to reduce its share capital in any manner and in accordance with the provisions of the Companies Act, 2013.

E. EFFECTS OF THE SCHEME

E.1. As on the date of 31st March 2024, the Company has Accumulated Losses of Rs. 4,86,42,337/- (Rupees Four Crores Eighty-Six Lakhs Forty-two Thousand Three Hundred and Thirty-Seven Only). The Accumulated Losses are reflected as a debit balance under — "Retained Earnings" as a part of "Other Equity".

E.2. The Net worth of the Company as on 31st March, 2020 is of Rs. 7,79,13,897/- The losses were on account of adverse market conditions and accumulated in the past 4 – years as under :

Year	Year wise Profit/(Losses)(Rs.)	Net worth after adjustment of Profit / (Losses)
2020-21	(4,11,64,772)	3,67,49,125
2021-22	(3,59,87,125)	7,62,000
2022-23	(12,22,000)	(4,60,000)
2023-24	12,75,663	8,15,663

E.3. Therefore, the Company proposes to utilize the debit balance of Rs 4,84,68,840/- (Rupees Four Crore Eighty-Four Lakhs Sixty-Eight Thousand Eight Hundred and Forty Only) for setting off the accumulated losses reflected against the various reserve (debit balance) of Rs. 4,86,42,337 under “Reserves and Surplus Retained Earnings”, as per the Audited financial statements of the Company as on March 31, 2024.

E.4. The pre and post reduction of issued, subscribed & Paid Up Capital of the Company against its Accumulated Losses as on 31st March 2024 shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

Particulars	(Amount in Rs.)		
	As on 31 st March 2024	Proposed Utilization for reduction of capital	Balance capital post Reduction
Paid-up capital	4,94,58,000	4,84,68,840	9,89,160
Losses	-	-	(1,73,496)
Effective Capital			8,15,664

Post Reduction of capital the paid up capital of the Company will be consist of 98,916 fully paid up equity shares of face value of Rs. 10/- each.

F. ACCOUNTNG TREATMENT

Upon the Scheme under Section 66 read with Section 52 of the Act becoming effective, the Company shall account for reduction of share capital - in its books of accounts in accordance with applicable accounting standards and other accounting principles.

F.1 with effect from the Appointed date and upon the scheme becoming effective the amount of share capital as extinguished as per clause E.4 above shall be reduced from the Equity Share Capital of the company (including partly paid up shares) and correspondingly from debit balance of the Profit and Loss account of the Company.

F.2 The company will comply with all the relevant accounting policies and Indian Accounting standards and relevant provisions as per section 133 of the Companies Act, 2013 to the extent applicable to the company in relation to the accounting for Reduction of capital and correspondingly writing of accumulated losses of the Company and any other applicable provisions and laws for the time being in force.

F.3. Post Reduction the capital of the Company: Upon Scheme being effective, the amount standing under the Heading of other equity BE REDUCED TO ZERO AND issued, subscribed & Paid Up Capital of the Company will be Rs. 9,89,160/- consist of 98,916 equity shares of Rs. 10/- each.

G. FRACTIONAL SHRAES:

In respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number. However, here the reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company.

The reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company and in respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number.

The balance fractional shares entitlements which could not rounded off shall be combined and rounded off to the nearest whole number and the said shares be kept in a separate demat account under control of the Chairman of the Audit committee and within 3-months post trading approval the same be sold in the open market and the sale proceeds of the factional shares be distributed to the entailed shareholders by the chairman of the Audit Committee.

H. PRE AND POST SHAREHOLDING PATTERN

H.1. The shareholding pattern of the Company and the percentage of holdings shall remain unchanged on account of reduction of capital of the Company.

The Pre & post Shareholding pattern of the company POST reduction of capital as under:

Category	Particulars	Prior to the Scheme of Arrangement		Post reduction under Scheme	
		No. of Shares	% to Total	No. of Shares	% to Total
(A)	Promoters & Promoter Group	22,48,383	45.46	44,967	45.46
(B)	Public	26,97,417	54.54	53,949	54.54
(C)	Shares Underlying DRS.	-	-	-	-
(D)	Shares held by the employee trust	-	-	-	-
	TOTAL	49,45,800	100	98,916	100

H-2 .There shall be no change in the shareholding pattern of the promoter holdings of the Company on account of reduction of capital of the company.

the scheme of Reduction of the share capital of the Company for the following reason's:

- I. The Company suffered losses on account of Trading and other businesses from time to time due to commercial market condition both in India & Abroad.
- II. Non-receipt of the out standing's from various parties after follow ups, legal recourses, etc.
- III. The Company has been incurring losses for past couple of years AND due to business Loss and inadequate working capital facilities the present business of the Company suffered.
- IV. The Object of the Company though changed around 2018 but the Board could not scale the businesses because of proper finance restructuring on account of accumulated losses. For past 7-years the Company hardly carried any major activities in the field of trading. The Subscribed and paid up capital of the Company wiped out to the extent of 98%.

- V. In view of the accumulated carry forward losses that the Company's Balance Sheet is not reflecting at its actual value and with the future prospect of growth and value addition to the shareholders, the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion programs that has been considered for development would need huge amount of investment both in terms of equity as well as debt.
- VI. The Company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.

I. CANCELLATION OF SHARES

Upon this reduction becoming finally effective, to all the shareholders in the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders

Those share holders whose holding presently in physical code, the company will issue and allot entitled shares post reduction of capital new share certificates to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid post reduction of capital. And the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date.

The Company instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof.

J. DESIGNATED STOCK EXCHANGE

The Company is listed exclusively on BSE. Hence, the designated stock exchange for interaction with SEBI shall be BSE.

As per the SEBI Circular bearing No.SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 December 31, 2024 the Company not required to any application for obtaining any observation letter / no-objection letter from the BSE for the implementation of the Scheme of reduction of capital.

The company is required file a copy of the scheme of reduction of capital under section 66 of the Companies Act, 2013 and rules framed thereunder under intimation to the designated Stock Exchange.

The Company has intimated BSE on 05.09.2024 about the proposed Reduction of capital of the Company.

K. IMPACT OF THE SCHEME ON EMPLOYEES

This Scheme would not in any way adversely affect the Employees of the Company. On the Scheme becoming effective, all Employees in the service of the Company immediately before the Scheme shall stay as the Employees of the Company without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The Company undertakes to continue to abide by the terms of agreement / settlement entered into with employees' union / Employee or associations. The

terms and conditions of service applicable to the Employees shall not in any way be less favourable to them than those applicable to them immediately before the Scheme.

L. IMPACT OF THE SCHEME ON CREDITORS / LENDERS / FINANCIAL INSTITUTIONS

This Scheme would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or pay the debts in ordinary course of business. The Creditors of the company will not be affected with this reduction of capital as their claim has not diluted or altered or alienated directly or indirectly for the purpose of this Capital Reduction.

Also, this Scheme does not in any manner whatsoever alter, vary, or affect the rights of the creditors / lenders / financial institutions or the payment of outstanding dues of statutory authorities or any other creditor which is payable or outstanding.

The Company has not accepted or renewed any fixed deposits.

M. CHANGE OF MANAGEMENT

There will be no change of Management or shareholding of the promoters on accounts of Reduction of capital.

N. JURISDICTION OF NATIONAL COMPANY LAW TRIBUNAL

The Company shall make necessary application / petition under Section 66 read and other applicable provisions of the Act read with Rules framed thereunder to the NCLT for seeking the approval of the Reduction of capital of the Company under this drafted Scheme.

Presently the Registered Office of the Company located in the State of Maharashtra under the jurisdiction of Registrar of Companies Mumbai, Maharashtra. For the purposes it is considered for the NCLT jurisdiction as Mumbai, Maharashtra and Registrar of Companies at Mumbai, Maharashtra.

O. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Company, by its Board or such other committee / person or persons, as the Board may authorize, may assent to withdrawal of the Scheme in its entirety or to make and / or consent to any modifications / amendments of any kind to the Scheme or to any conditions or limitations that the NCLT / SEBI/ BSE and / or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate, whether as a result of subsequent events or otherwise, by the Board.

The Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority or otherwise, if so, mutually agreed in writing by the Company.

P. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme of Reduction of capital asset out herein in its present form or with any modification(s) and amendments(s) made as per the direction of the NCLT or any Appropriate Authority, as the case may be, shall be effective from the Effective Date and binding upon all the stakeholders.

Q. CORPORATE ACTION AND OTHER PROVISIONS AT THE TIME OF ISSUE OF SHARES POST REDUCTION OF CAPITAL OF THE COMPANY

Q.1. The said new Equity Shares issued and allotted by the Company post reduction of the Capital will be in terms of this Scheme shall be subject to the provisions of the Companies Act, 2013 and rules framed thereunder read with the provisions of Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Q.2 The shares to be issued to the members/ allottees of the Companies shall rank for voting rights and in all respects pari-passu with the existing Equity Shares of the Company and having same ratio.

Q.3 New Equity shares of the Company issued may be listed and / or admitted to trading on the Bombay Stock Exchange (BSE) where the shares of Company is listed and / or admitted to trading in terms of the applicable bye-laws and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Q.4 The Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges as per SEBI (LODR) Regulations, 2015. On such formalities being fulfilled the said Stock exchanges shall list and / or admit such equity shares also for the purpose of trading.

R. CANCELLATION OF SHARES

Upon this reduction becoming finally effective, all the shareholders, if so required by the Company, shall surrender their share certificates for cancellation thereof.

However, the Company may instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof.

In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders.

Notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid post reduction of capital, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date.

The Board sought the approval of members for resolution No. 4 and 5 by way of a special resolution and ordinary resolution including authoring the Board to give effect to the resolution post approval from the NCLT (National Company Law Tribunal) and other Statutory and Regulators including Stock Exchange & SEBI. The Company is only listed at BSE. The Board recommends the reduction of capital.

The Directors are interested to extent of their shareholding just like any other shareholder. Members can take inspection at the Registered office of the Company between 11.00 a.m. to 06.00 p.m. and at free of cost can obtain copy of the following Documents till the end of the meeting of the members scheduled to be held on 2nd August, 2025:

Sl. No.	Descriptions
1	Certified true copy of the resolution passed by the Board of Directors of the company on 05.09.2024 approving the scheme.
2	Certified copy of the draft Scheme of Reduction of Capital proposed to be filed before the NCLT.
3	Report from the Audit Committee dated 05.09.2024 recommending the draft scheme taking into consideration, inter alia, the valuation report
4	Shareholding pattern of the Company- pre and post Reduction of Capital as per the format provided under Regulation 31 of the LODR Regulations,
5	Audited financials of the Company for the last 3 financial years
6	Capital Built up and Built of the Accumulated Losses
7	Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc.
8	Detailed Compliance Report duly certified by the Company Secretary, Chief Financial Officer and the Managing Director, confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards.
9	Networth Certificate and Certificate of Compliance of Accounting Standard by the Statutory Auditor of the Company
10	Memorandum & Article of Association of the Company

Details pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India.

Particulars	
Name	Ramesh Chandra Mishra
DIN	00206671
Age	57
Date of First Appointment	31.08.2024
Qualification	Company Secretary
Category	Director
Expertise in specific functional area	Management
Directorships held in other public companies	1. RRP Semiconductor Limited 2. Integrated Hitech Limited 3. BGSE Properties and Securities Limited 4. Rover Finance Limited
Memberships/ Chairmanships of committees of other public companies	NA
No. of Share Held	NIL

**By Order of Board of Directors
For Suncity Synthetics Limited**

Sd/-

Sumita Mishra

Managing Director

DIN: 00207928

Date: - 21.06.2025

Place: - Surat

DIRECTORS REPORT TO THE SHARE HOLDER'S

Dear Stakeholders,

Your Directors have pleasure in presenting the 37th Director's Report of M/s. Suncity Synthetics Limited (the Company) and along with it, the Audited Financial statements for the Financial year ended 31st March, 2025.

1. FINANCIAL RESULTS:

The financial results of the Company for the year ended 31st March, 2025 is summarized below:
(Rs. In Lacs)

PARTICULARS	2024-25 (Rs.)	2023-24 (Rs.)
Revenue from operations	116.93	200.10
Other Income	1.15	16.21
Total Income	118.08	216.31
Total expenses	165.77	239.56
Profit/(Loss) before Exceptional Item and Tax	(47.69)	(23.25)
Exceptional Item	(11.45)	32.02
Provision for Taxation	2.70	4.08
Transfer to Reserve	-	-
Profit / (Loss) carried to Balance sheet	(56.44)	12.85
Earnings per Equity Share	(1.14)	0.26

2. BUSINESS PERFORMANCE/STATE OF THE COMPANY'S AFFAIRS:

During the Financial year under review, your company has made loss of Rs. 56.44 (Rs. In Lacs) as against profit of Rs. 12.85 (Rs. In Lacs) in the previous financial year.

3. NATURE OF BUSINESS:

During the Financial Year under review, the Company has undergone through the change of management. Also, the Members in the Annual General Meeting held on September 30, 2024 approved the change of registered office from the state of Gujarat to State of Maharashtra.

4. CHANGE IN NAME OF THE COMPANY:

During the Financial Year under review, the Company has not changed its name.

5. SHARE CAPITAL:

During the financial year under review, there was no change in Authorised Share Capital as well as Paid up Share Capital of the Company.

6. REDUCTION OF CAPITAL:

The Company during the couple of years made business and due to unfavorable market conditions incurred losses which eroded the issued, paid-up, subscribed capital of the company completely. Keeping the future plan of the company it is proposed to reduce the capital of the company to the extent of 98%. Hence, Board of Directors in their meeting held on 5th September, 2024 approved draft scheme of reduction of Share Capital and proposed to place before the Members for their approval. After approval of Shareholders the Company will take necessary steps to file an application/scheme to Hon'ble NCLT and comply the provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 and SEBI circular relating to scheme of arrangement.

The Losses of the company accumulated in the past couple of years and the details as under:

Year	Year wise Profit/(Losses)(Rs.)
2020-21	(3,87,85,012)
2021-22	27,98,212
2022-23	(12,22,297)
2023-24	12,85,636

The reduction of capital is applicable to all the shareholders in the same ratio. There will be no change of management post reduction of Capital.

7. DIVIDEND:

The Company has not recommended any dividend for the financial year 2024-25 due to losses.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has neither given any loans or guarantees nor made any investments as covered under the provisions of section 186 of the Companies Act, 2013 during the financial year 2024-25.

9. TRANSFER TO RESERVES:

During the year under review, no amount has been transferred to the general reserve of the Company.

10. DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the said financial year.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

There were no related party transactions that were entered into during the financial year. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated personnel or other designated persons, which may have potential conflict with interest of the company at large.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

- **Industry Structure & Developments**

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

- **Opportunities & 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.

- **Risks & Concerns**

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

- **Outlook**

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

13. RISK MANAGEMENT POLICY:

The Company continues to have an effective Risk Management process in place. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed

also discussed at the meetings of the Audit Committee and the Board of Directors of the Company. Major risks, if any, identified by the business and functions are systematically addressed through mitigating action on a continuous basis.

14. NOMINATION AND REMUNERATION POLICY:

Suncity Synthetics Limited has constituted a Nomination and Remuneration Committee and the Committee has formulated a Nomination, Remuneration and Evaluation Policy to provide a framework and set standards for the nomination and remuneration of the Directors, Key Managerial Personnel and Other employees and evaluation of the Directors. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management. The remuneration policy approved by the board of Directors is available on the website of the Company www.suncitysyntheticsltd.com.

15. BOARD POLICIES:

The Company has the following policies which are applicable as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which are placed on the website of the Company www.suncitysyntheticsltd.com

- a) Code of Conduct for Directors and Senior Management
- b) Nomination and Remuneration Policy
- c) Policy on Disclosure of Material Events
- d) Policy on preservation of Documents
- e) Policy on archival of data
- f) Whistle Blower Policy
- g) Policy on Related Party Transactions
- h) POSH Policy
- i) Dividend Distribution Policy
- j) Policy on Material Subsidiary

Since your Company's Paid-up Capital and Net worth is less than Rs.10 Crores and Rs. 25 Crores respectively, the provisions of SEBI (LODR) Regulations, 2015 relating to corporate governance is not applicable.

16. PARTICULARS OF EMPLOYEES:

There are no employees falling within the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Information of employees as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year is "NIL".

17. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

Training on all sectors is given to its employees periodically and motivated to work in line with the development of the industry. The willingness and commitment of the employees help the company to stand tall among its customer in quality and service.

18. DISCLOSURE UNDER SEXUAL HARRASMENT 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 the workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The policy is uploaded and can be viewed on the Company's website www.suncitysyntheticsltd.com

The details of Number of complaints of Sexual Harassment received, Number of complaints disposed off and Number of cases pending for more than ninety days in the Financial Year as stated below:

Sl. No.	Particulars	Comments
1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed off during the year	NIL
3	Number of cases pending for more than ninety days	NIL

19. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961:

As there is no employee in the Company, the provisions of Maternity Benefit Act, 1961 is not applicable to the Company during the year under review.

20. PARTICULARS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company does not have any Subsidiaries, Associates and Joint Venture Companies.

21. MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF REPORT:

During the Financial Year under review, there are no material changes and commitments occurred between the end of the Financial Year of the company to which the financial statements relate and the date of the report, affecting the financial position of the company.

22. DIRECTORS & KEY MANAGERIAL PERSONNEL AND CHANGE IN BOARD OF DIRECTORS DURING THE FINANCIAL YEAR:

Ms. Sumita Mishra in compliance with regulation 3 & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 took the management control of the Company post completion of the process of the open offer.

The following directors and KMP were appointed consequent to the takeover of the Company with effect from 31st August, 2024:

Ramesh Chandra Mishra	Additional Director
Sumita Mishra	Additional Director cum Managing Director
Nitin Arvind Oza	Additional Director
Sanghamitra Sarangi	Additional Director
Vidhi Bafna	Company Secretary

The following directors and KMP resigned consequent to the takeover of the Company with effect from 31st August, 2024:

Poonam Jain	Whole-Time Director
Rachana Akshay Katariya	Director
Dungar Ram Mali	Director
Deepak Sharma	Director
Mridula Agarwal	Company Secretary
Suresh Kumar Jain w.e.f. 14 th November 2024	Managing Director

Company Secretary, CEO & Chief Financial Officer:

Vidhi Bafna	Company Secretary and Compliance Officer
Suresh Dhanraj Kavarjain	Chief Financial Officer
Mridula Agarwal (Resignation w. e. f 31st August, 2024)	Company Secretary and Compliance Officer

Composition of committees of the Board:

Subsequent to change in the Management of the Company the Board of Directors of the Company in their meeting held on 31st August, 2024 have reconstituted the composition of Committees of the Board which is as follows:

Audit Committee	
Mr. Nitin Arvind Oza	Chairman
Mrs. Sanghamitra Sarangi	Member
Ms. Sumita Mishra	Member

Nomination and Remuneration Committee	
Mr. Nitin Arvind Oza	Chairman
Mrs. Sanghamitra Sarangi	Member
Ms. Sumita Mishra	Member

Stakeholders Relationship Committee	
Mr. Ramesh Chandra Mishra	Chairman
Mrs. Sanghamitra Sarangi	Member
Mr. Nitin Arvind Oza	Member

Corporate Social Responsibility Committee	
Ms. Sumita Mishra	Chairman
Mrs. Sanghamitra Sarangi	Member
Mr. Nitin Arvind Oza	Member

23. NUMBER OF MEETINGS OF THE BOARD AND BOARDS' COMMITTEE:

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. The Board Meetings are pre-scheduled, and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules.

Meeting	No. of Meetings during the Financial Year 2024-25	Date of the Meeting
Board Meeting	7	30.05.2024 14.08.2024 31.08.2024 05.09.2024 14.11.2024 29.11.2024 14.02.2025
Audit Committee	4	30.05.2024 14.08.2024 14.11.2024 14.02.2025
Nomination & Remuneration Committee	2	31.08.2024 14.02.2025
Independent Directors	1	14.02.2025

The interval between two Board Meetings was well within the maximum period mentioned under section 173 of the Companies Act, 2013, and SEBI Listing (Disclosures and Obligations Requirements) Regulations, 2015.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Companies Act, 2013, your Company has established a Vigil Mechanism policy for directors and employees to report concerns about unethical behaviors, actual or suspected fraud, violations of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against the victimization of employees who avail themselves of the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. It is affirmed that during the Financial Year 2024-25, no employee has been denied access to the Audit Committee. The vigil mechanism policy is also available on the Company's website www.suncitysyntheticsltd.com.

25. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has formulated a Framework on Internal Financial Controls In accordance with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations and they are operating effectively.

The systems are periodically reviewed by the Audit Committee of the Board for identification of deficiencies and necessary time-bound actions are taken to improve efficiency at all the levels. The Committee also reviews the observations forming part of internal auditors' report, key issues and areas of improvement, significant processes and accounting policies.

26. ANNUAL EVALUATION BY THE BOARD:

In compliance with the Companies Act, 2013, the performance evaluation of the Board and its Committees were carried out during the year under review.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Attendance of Board Meetings and Board Committee Meetings.
- Quality of contribution to Board deliberations.
- Strategic perspectives or inputs regarding future growth of Company and its performance.

- d) Providing perspectives and feedback going beyond information provided by the management.
- e) Commitment to shareholder and other stakeholder interests.
- f) The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

27. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is following the applicable Secretarial Standards as prescribed and formulated by the Institute of Company Secretaries of India during the financial year 2024-25, to the extent as applicable.

28. INDEPENDENT DIRECTORS:

a) Declaration of Independent Directors:

The Company has received necessary declaration from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Independent Directors of the Company meet the criteria of their Independence laid down in Section 149(6).

b) Independent Directors Meeting:

The meeting of the Independent Directors was held on 14th February, 2025 as per schedule IV of the Companies Act, 2013.

c) Familiarisation Programme for Independent Directors:

The familiarization program is to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes and about the overall functioning and performance of the Company. The policy and details of familiarization program is available on the website of the Company at www.suncitysyntheticsltd.com.

29. OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTOR:

In the opinion of the Board all the Independent Directors including Independent Directors appointed during the year, if any, are person of integrity and has expertise and experience in relevant field. Further, all the independent directors has cleared proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

30. LISTING WITH STOCK EXCHANGES:

Shares of the Company are listed on BSE Limited and the Company confirms that it has paid the annual Listing Fees for the year 2024-25.

31. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

32. AUDITORS AND AUDITORS REPORT:

a) STATUTORY AUDITORS:

M/s. S. Gandhi & Associates, Chartered Accountant (FRN: 113667W), Statutory Auditors were appointed as the Statutory Auditors of the Company to hold office up to the conclusion of the Annual General Meeting of the Company to be held for the Financial Year 2026-27.

The Auditors' Report for Financial Year ended 31st March, 2025 does not contain any qualification, reservation or adverse remark. Hence, there is no requirement for the Board to provide any explanation or comment on the same. The Auditors' Report is enclosed with the financial statements in the Annual Report and the same is self-explanatory.

b) SECRETARIAL AUDITOR & REPORT:

Pursuant to the requirements of Section 204 (1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Amarendra Mohapatra of M/s. Amarendra Mohapatra & Associates, Practising Company Secretaries (Membership No.26257 CP:14901) was appointed to conduct secretarial audit for the financial year 2024-25.

The Board as per the requirements of Section 204 (1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 proposed to appoint Secretarial Auditor M/s. Amarendra Mohapatra & Associates, Practising Company Secretaries (Membership No.26257 CP:14901) for 3-financial years starting from Financial Year 2025-26 ending with 2027-28. The Secretarial Auditor declared that he meets with all the criteria and is a peer review Auditor.

The Secretarial Audit Report as received from the Secretarial Auditor is annexed to this report as **Annexure-I**. The Secretarial Audit report does not contain any observation or remarks.

c) INTERNAL AUDITORS:

The Company has appointed M/s. Manas Dash & Co., as the Internal Auditors of the company for the Financial Year 2024-25. The Audit Committee determines the scope of Internal Audit in line with regulatory and business requirements.

d) COST AUDITOR:

Pursuant to notification of Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment rules, 2014 the Company does not fall under the purview of Cost Audit.

33. 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:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

34. RATIO OF REMUNERATION TO EACH DIRECTOR:

At present Directors are not receiving any remuneration from the company in view of the financial constraints. Hence, ratio of remuneration to each Director is not applicable in the Financial Year 2024-25.

35. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

The Board of Directors has adopted a policy and procedure on Code of Conduct for the Board Members and employees of the Company in accordance with the SEBI (Prohibition of Insiders Trading) Regulations, 2015. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements of the Company.

The Code is aimed at preventing any wrong doing and promoting ethical conduct at the Board and by employees. The Compliance Officer is responsible to ensure adherence to the Code by

all concerned.

The Code lays down the standard of Conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management Personnel have confirmed Compliance with the Code.

36. CORPORATE SOCIAL RESPONSIBILITY:

Since the provisions of section 135 of the Companies Act, 2013 is not applicable to the Company as the limits are not breached, a report on CSR activities is not required to be annexed with this report.

37. SHIFTING OF THE REGISTERED OFFICE FROM ONE STATE TO ANOTHER:

The members at their meeting held on September 30, 2024 approved the shifting of the Registered Office from the state of Gujarat to the State of Maharashtra. The Regional Director has accorded their approval on June 06, 2025 for the said shifting of the Registered Office from state of Gujarat to the State of Maharashtra. Presently the Registered Office at 129B, Ansa Industrial Estate, Saki Naka, Andheri East, Mumbai 400072.

38. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at March 31, 2025 is uploaded on the website of the Company and can be accessed at www.suncitysyntheticsltd.com

39. DISCLOSURE REQUIREMENTS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and is of the view that such systems are adequate and operating effectively.

40. DIRECTORS' RESPONSIBILITIES STATEMENT:

Pursuant to the requirement under Section 134 (3) (c) of Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual accounts on a going concern basis.
5. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

41. 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.

42. MAINTAINANCE OF COST RECORDS:

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

43. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to Financial Statements. It has laid down certain guidelines, policies, processes and structures which are commensurate with the nature, size, complexity of operations and the business processes followed by the Company. These controls enable and ensure the systematic and efficient conduct of the Company's business, protection of assets, prevention and detection of frauds and errors and the accuracy and completeness of the accounting and financial records.

44. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 and that there is no instance of onetime settlement with any Bank or Financial Institution, during the year under review.

45. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR:

No application made or no any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.

46. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

➤ **Conservation of energy: -**

1. The steps taken or impact on conservation of energy: N.A.
2. The steps taken by the Company for utilizing alternate sources of energy: N.A.
3. The capital investment on energy conservation equipment: N.A.

➤ **Technology absorption:**

1. The efforts made towards technology absorption: N.A.
2. The benefits derived like product improvement, cost reduction product development or import substitution: N.A.
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -
 - The details of technology imported: N.A.
 - The year of import: N.A.
 - Whether the technology been fully absorbed. N.A.
4. If not fully absorbed, areas where absorption has not taken place and the reasons thereof; and: N.A.

5. The expenditure incurred on Research and Development. N.A.

➤ **Foreign Exchange Earnings and Outgo:** N.A.

47. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the Contributions made by employees at all levels, towards the continued growth and prosperity of your Company. Directors also take this opportunity to convey their thanks to all the valued shareholders of the Company and to the Bankers for their valuable services.

48. CAUTIONARY STATEMENT:

The statements contained in the Board's Report and Management Discussion and Analysis Report contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

Date: 21/06/2025

Place: Surat

**By and on behalf of the Board of Directors
For Suncity Synthetics Limited**

**Sd/-
Sumita Mishra
Managing Director
DIN: 00207928**

**Sd/-
Ramesh Chandra Mishra
Non-Executive Director
DIN: 00206671**

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

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 Synthetic Limited
205, Rajhans Complex,
Nr. Nirmal Childrens Hospital,
Ring Road, Surat – 395002, Gujrat.**

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents, authorized representatives and the explanations and clarifications given to me and representations made by Management during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 and made available to me and according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

During the year under review, the Company has not brought back any of its Securities.

e. 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;

f. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

During the year under review, the Company has not issued any shares/ securities to its employee.

g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

During the year under review, the Company has not issued any debt securities.

i. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

During the year under review, the Company has not issued any Non-Convertible and Redeemable Preference Shares/ any other Non-Convertible Securities.

j. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

k. Other laws as applicable specifically to the Company as identified by the management, that is to say:

No any other laws specifically applicable to the Company

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by Company with Bombay Stock Exchange (BSE) Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, the compliance by the Company of applicable financial laws such as 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 the statutory financial auditors, tax auditors, and other designated professionals.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, 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.

I further report that, during the audit period the Company has no events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

**For M/s. Amarendra Mohapatra & Associates
Company Secretaries**

**Sd/-
Amarendra Mohapatra
Proprietor
M. No.: A26257
C P No.: 14901
PR No. 1880/2022
UDIN: A026257G000315172
Dated this 10th May, 2025**

**To,
The Members,
Suncity Synthetic Limited
205, RAJHANS COMPLEX,
NR. NIRMAL CHILDRENS HOSPITAL,
RING ROAD, SURAT - 395002, GUJRAT**

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

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

**For M/s. Amarendra Mohapatra & Associates
Company Secretaries**

**Sd/-
Amarendra Mohapatra
Proprietor
M. No.: A26257
C P No.: 14901
PR No. 1880/2022
UDIN: A026257G000315172
Dated this 10th May, 2025**

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	Loans and advances in the nature of loans to subsidiaries by name and amount: NIL Loans and advances in the nature of loans to associates by name and amount: NIL Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company: NIL
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan: NIL

- 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	As on 31/03/2025	As on 31/03/2024
Turnover and other income	11807584	21631777
Financial Costs	191808	2188149
Depreciation and Amortization Expenses	802159	2174744
Profit Before Exceptional and Tax	(4768461)	(2323760)
Exceptional Items	(1144907)	3201421
Tax Expense	269516	407975
Profit /Loss(-) After Tax for the year	(5643853)	1285636

(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:-

(i) Debtors Turnover: Debtors Turnover Ratio for the year ended 31/03/2025 is 0 and the year ended 31/03/2024 is 4.75. Variation in Trade receivable turnover ratio as compare to last year is on account of decrease in sales as compare to previous year.

(ii) Inventory Turnover: Inventory Turnover Ratio for the year ended 31/03/2025 is 0 and the year ended 31/03/2024 is 0.98. Variation in Inventory turnover Ratio as compare to last year is on account of decrease in sales as compare to previous year.

(iii)Debt Service Coverage Ratio: For the year ended 31/03/2025 is -9.10 and for the previous year ended as on 31/03/2024 is 0.12. There is variation in debt service coverage ratio as compare to last year as there is increase in debt component thereby increasing debt liability.

(iv)Current Ratio: Current Ratio for the year ended as on 31/03/2025 is 0.49 and for the previous year ended as on 31/03/2024 is 0.96.

(v) Debt Equity Ratio: Debt Equity Ratio for the year ended as on 31/03/2025 is -0.10 and for the previous year ended as on 31/03/2024 is 56.92. During the year company's debt has increased as compared to last year. Hence variation in ratio.

(vi)Net Profit Ratio: Net Profit Ratio for the year ended as on 31/03/2025 is 0 and for the previous year ended as on 31/03/2024 is 0.06. There was profit during the current year as compared to loss in previous year.

(vii) Details of any change in Net Worth as compared to the immediately previous financial year: Net worth of the company during the year ended 31/03/2024 was Rs. 815663 whereas during the previous year ended as on 31/03/2025 Net worth was Rs. (4828189).

Return on Capital Employed for the year ended as on 31/03/2025 is 0 and for the previous year ended as on 31/03/2024 is 0.04. Variation in return on capital employed during 2024-25 as

compared to year 2023-24 was on account of decrease in loss during current 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: Nil

By and on behalf of the Board of Directors
For Suncity Synthetics Limited

Place: Surat
Date: 21.06.2025

Sd/-
Ms. Sumita Mishra
Managing Director
DIN: 00207928

CODE OF CONDUCT DECLARATION
DECLARATION UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015

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

In terms of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the affirmations provided by the Directors and Senior Management Personnel of the Company to whom Code of Conduct, it is declared that the Board of Directors and the Senior Management Personnel have complied with the Code of Conduct for the year ended March 31, 2025.

By and on behalf of the Board of Directors
For Suncity Synthetics Limited

Place: Surat
Date: 21.06.2025

Sd/-
Ms. Sumita Mishra
Managing Director
DIN: 00207928

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

**To,
The Members
Suncity Synthetics Limited
Address: 205, Rajhans Complex,
Nr. Nirmal Childrens Hospital,
Ring Road, Surat, Gujarat, India, 395002**

We, Sumita Mishra and Suresh Dhanraj Kavarjain, Managing Director and Chief Financial Officer respectively, do hereby certify as follows:

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

**By and on behalf of the Board of Directors
For Suncity Synthetics Limited**

**Place: Surat
Date: 21.06.2025**

**Sd/-
Ms. Sumita Mishra
Managing Director
DIN: 00207928**

**Sd/-
Suresh Dhanraj Kavarjain
CFO**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,
The Board of Directors,
Suncity Synthetic Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Suncity Synthetic Limited (hereinafter referred to as "the Company"), having CIN: L17110GJ1988PLC010397 and having registered office at 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat – 395002, Gujrat, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors

Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company; its Officers, I hereby certify that **none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been disqualified** from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Name of the Director	DIN
Suresh Dhanraj Kawarjain	00337493
Ramesh Chandra Mishra	00206671
Sumita Mishra	00207928
Nitin Arvind Oza	03198502
Sanghamitra Sarangi	08536750

**For M/s. Amarendra Mohapatra & Associates
Practicing Company Secretaries**

**Sd/-
Amarendra Mohapatra
Proprietor**

M. No.: A26257

C P No.: 14901

PR No. 1880/2022

UDIN: A026257G000315161

Dated this 10th May, 2025



S. Gandhi & Associates

CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

INDEPENDENT AUDITOR'S REPORT

**To the Members of
SUNCITY SYNTHETICS LIMITED**

Report on the Audit of Standalone Financial Statements:

Opinion

We have audited the accompanying standalone financial statements of **SUNCITY SYNTHETICS LIMITED ("the Company")** which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss of the Company, the Statement of changes in Equity, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "Standalone financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss as per Profit and loss account, total comprehensive losses, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any matters to be the key audit matters to be communicated in our report.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with Governance for the Standalone 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 of the Act read with the companies (Indian Accounting Standards) Rules 2015, as amended. 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 for the Audit of the Standalone Financial Statements

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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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.
 - iv. No Dividend has been declared or paid during the year by the company.
 - v. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, we report that the company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For S. Gandhi & Associates
(Chartered Accountants)

Sd/-
Surendra Gandhi
(Proprietor)
M. No: 072278
FRN. 113667W
UDIN: 25072278BMYBS9953

PLACE: SURAT
DATE: 10/05/2025

“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, 2025:

- 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.
 - (f)
 - 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.

- (g) 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.
- (h) 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.
- (i) 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.
- (j) 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.
- (k)
- 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, 2025 for a period of more than six months from the date on when they become payable.
 - According to the information and explanation given to us, the details of statutory dues referred to in sub-clause (a) above which have not been settled as on March 31, 2025 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Disputed Amount ₹ In Lacs

Central Excise Act, 1944	Duty of Excise	Customs, Excise & Service Tax Appellate Tribunal	F.Y. 2016-17	167.21
Central Goods and Service Tax Act, 2017	Excess of ITC	Commissioner (Appeals), CGST & Central Excise, Jodhpur.	F.Y. 2017-18	28.16

- (l) 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.
- (m) (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.
- (n) (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.
- (o) (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.

(p) 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.

(q) 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.

(r) (a) The Company appointed M/s. Manas Dash & Co. as an internal auditor of the company. Company is having internal audit system commensurate with the size and nature of its business.

(b) Annual Report of internal auditor has been provided to us for verification. And same has been considered by us in providing our opinion on financial statements.

(s) 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.

(t) (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.

- (u) According to the information and explanations provided to us, the company has incurred cash losses in the current year and not in the immediately preceding financial year, accordingly, the requirement to report on clause 3 (xvii) of the Order is not applicable and hence not commented upon.
- (v) There has been no resignation of the statutory auditors of the company during the year.
- (w) 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 the 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 it 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.
- (x) 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.
- (y) As per information and explanation received from management, The company do not have any holding, subsidiary, Joint Venture and Associates, hence reporting under clause 3 (xxi) of the order not applicable to the company.

For S. Gandhi & Associates
(Chartered Accountants)

Sd/-
Surendra Gandhi
(Proprietor)
M. No: 072278
FRN. 113667W
UDIN: 25072278BMYBS9953

PLACE: SURAT
DATE: 10/05/2025

“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, 2025 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, 2025, 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 ICAI.

**For S. Gandhi & Associates
(Chartered Accountants)**

Sd/-

**Surendra Gandhi
(Proprietor)**

M. No: 072278

FRN. 113667W

UDIN: 25072278BMYBS9953

PLACE: SURAT

DATE: 10/05/2025

SUNCITY SYNTHETICS LIMITED

CIN: L17110GJ1988PLC010397

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

Balance Sheet as on 31st March, 2025

Particulars	Sch./ Note	(Amount in Lacs)		(Amount in Lacs)	
		As at		As at	
		31 March 2025		31 March 2024	
ASSETS					
(1) Non Current Assets					
(a) Property, Plant & Equipment	3	45.09		252.63	
(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	2.40		2.40	
(ii) Trade Receivables	5	-		-	
(iii) Loans and Deposits	6	15.36		17.01	
(i) Deferred Tax Asset (net)	7	27.25		24.55	
(j) Other Non Current Assets	8	-	90.10	-	296.59
(2) Current Assets					
(a) Inventories	9	106.51		155.10	
(b) Financial Assets					
(i) Investments		-		-	
(ii) Trade Receivable	10	6.75		78.12	
(iii) Cash and cash equivalents	11	1.60		3.11	
(iv) Bank Balances other than (iii) above		-		-	
(v) Loans	12	-		-	
(vi) Others (to be specified)		-		-	
(c) Current Tax Assets (Net)	13	-		-	
(d) Other current assets	14	4.05	118.91	21.73	258.06
Total Assets		209.01		554.64	
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share capital	15	494.58		494.58	
(b) Other Equity	16	(542.86)	(48.28)	(486.42)	8.16
LIABILITIES					
(1) Non Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	17	4.64		278.13	
(ia) Lease Liabilities		-		-	
(ii) Trade Payables	18	8.65		-	
(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		-	13.29	-	278.13
(2) Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	20	-		186.17	
(ii) Trade Payables	21	-		-	
(A) Outstanding Dues from MSME		-		-	
(B) Total Outstanding Dues from other than MSME		-		27.77	
(b) Other Current Liabilities	22	244.01		52.39	
(c) Provisions	23	-	244.01	2.01	268.35
Total Equity and Liabilities		209.01		554.64	

See accompanying notes to the financial statements. 1

For S. Gandhi & Associates
Chartered Accountants.
(Firm Reg. No. : 113667W)

For And On Behalf Of The Board

Sd/-
Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN:
Place: Surat
Date: 10/05/2025

Sd/- Company Secretary Vidhi Bafna	Sd/- Managing Director Sumita Mishra DIN: 00207928	Sd/- Director Ramesh Chandra Mishra DIN: 00206671
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SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Surat - 395002
Statement of profit and loss for the year ended, 31st March, 2025

Particulars	Sch./ Note	(Amount in Lacs) For the year ended 31-03-2025	(Amount in Lacs) For the year ended 31-03-2024
INCOME			
Revenue From Operations	24	116.93	200.10
Other Income	25	1.15	16.21
Total Revenue		118.08	216.31
EXPENSES			
Cost of Materials Consumed	26	97.82	140.95
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	27	12.78	(12.80)
Employment Benefit Expenses	28	4.97	21.78
Financial Costs	29	1.92	21.88
Depreciation and Amortization Expenses	30	8.02	21.75
Other Expenses	31	40.26	46.00
Total Expenses		165.77	239.56
Profit Before Exceptional and Tax Exceptional Items		(47.69)	(23.25)
- Profit on Sale of Fixed Assets		(11.45)	32.02
- Prior period tax Expenses		-	-
Profit/ (loss) Before Tax		(59.14)	8.77
Tax Expense :			
(1) Current Tax		-	-
(2) Deferred Tax		2.70	4.08
Profit for the Year From Continuing Operations		(56.44)	12.85
Profit/(Loss) From Discontinuing Operations		-	-
Tax Expense of Discounting Operations		-	-
Profit/(Loss) From Discontinuing Operations		-	-
Profit/(Loss) For The Period		(56.44)	12.85
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		(56.44)	12.85
Earning Per Equity Share:	32		
(1) Basic (Rs.)		(1.14)	0.26
(2) Diluted (Rs.)		(1.14)	0.26

See accompanying notes to the financial statements.

1

For S. Gandhi & Associates
Chartered Accountants.
(Firm Reg. No. : 113667W)

For And On Behalf Of The Board

Sd/-
Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN:
Place: Surat
Date: 10/05/2025

Sd/-
Company Secretary
Vidhi Bafna

Sd/-
Managing Director
Sumita Mishra
DIN: 00207928

Sd/-
Director
Ramesh Chandra Mishra
DIN: 00206671

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Statement of Cashflow for the year ended 31st March, 2025

Particulars	Note	(Amount in Lacs)	
		For the year ended 31-03-2025	For the year ended 31-03-2024
<u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u>			
Net Profit Before Tax and Extraordinary Items		(59.14)	8.78
Add:			
Preliminary expenses	-	-	
Depreciation	8.02		21.75
Financial Cost	1.92	9.94	21.88
		(49.20)	52.41
Less: Interest Income (Consider Separately)		(0.09)	(0.03)
less: Profit on sale of fixed asset		-	(32.01)
Add: Loss on sale of vehicles/ Other Assets		11.45	0.10
Cash from Operation	Total - A	(37.84)	20.47
Less: Adjustment for Working Capital Changes			
Add/(less):			
Increase/ (Decrease) in Other current Liabilities	191.62		11.49
Increase/ (Decrease) in Trade Payable	(19.12)		3.52
Increase/ (Decrease) in short term provision	(2.01)		-
(Increase)/ Decrease in Trade Receivables	71.36		(87.79)
(Increase)/ Decrease in Other Non Current Assets	-		14.66
(Increase)/ Decrease in Inventories	48.58		21.56
(Increase)/Decrease in other Current Assets	17.68	308.11	(17.92)
			(54.48)
Total - B		308.11	(54.48)
Cash Generated from Operations after Working Capital Changes (A + B)	(C)	270.27	(34.01)
Less: Income Tax Paid		-	-
Net Cash Flow from Operating Activities	(D)	270.27	(34.01)
<u>B. Cash Flow from Investing Activities</u>			
Add:			
Interest Received	0.09		0.03
(Increase)/ Decrease in long term Loans and Advances	1.65		(8.62)
Sale of Fixed Assets	188.06	189.80	56.80
			48.21
Less:			
Purchase of Fixed Assets	-	-	-
Net Cash Flow from Investing Activities	(E)	189.80	48.21
<u>C. Cash Flow from Financing Activities</u>			
Decrease in Working Capital Facilities	(186.17)		(42.35)
Increase/(Decrease) in long term borrowings	(273.48)		31.45
Finance Cost	(1.92)	(461.58)	(21.88)
			(32.78)
Net Cash Flow from Financing Activities	(F)	(461.58)	(32.78)
Net Changes in Cash & Cash Equivalents (D+E+F)		(1.51)	(18.58)
Opening Balance of Cash & Cash Equivalents		3.11	21.69
Closing Balance of Cash & Cash Equivalents		1.60	3.11

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of SUNCITY SYNTHETICS LTD. for the period ended 31st March, 2025. 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, 2025 to the members of the Company.

As per our report of even date attached.

For S. Gandhi & Associates
Chartered Accountants.
(Firm Reg. No. : 113667W)

For And On Behalf Of The Board

Sd/-
Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN:
Place: Surat
Date: 10/05/2025

Sd/-
Company Secretary
Vidhi Bafna

Sd/-
Managing Director
Sumita Mishra
DIN: 00207928

Sd/-
Director
Ramesh Chandra Mishra
DIN: 00206671

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Notes on Financial Statements for the year ended 31st March, 2025

Note No. 1 - Significant Accounting Policies

A. Basis of Preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'IND AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening IND AS Balance Sheet as at 1st April, 2016 being the date of transition to IND AS.

(ii) Historical cost convention

These financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

B. Use of Estimates and judgements

The preparation of financial statements in conformity with the recognition and measurement principle of IND AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Notes on Financial Statements for the year ended 31st March, 2025

C. Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on fixed assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on the useful life of the assets as prescribed in the schedule II of the Companies Act, 2013. In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided from the date of such addition is put to use by the company.

D. Investments

Long term Investments are stated at cost and where there is permanent diminution in the value of investments a provision is made wherever applicable. Current Investments are carried at lower of cost or quoted/fair value, computed category wise. Dividend is accounted for as and when received.

E. Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount. However, No Impairment loss is charged to Profit and loss for the current reporting period.

F. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on Weighted Average Method.

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Notes on Financial Statements for the year ended 31st March, 2025

G. Revenue Recognition

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty and sales during trial run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Interest income is recognised on a time proportion basis taking into account outstanding and the interest rate applicable.

H. Cost recognition

Cost and expenses are recognised when incurred and have been classified according to their nature. The cost of the company are broadly categorised in materials consumed, employee benefit expenses, depreciation and other operating expenses.

I. Earnings per Share

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The company did not have any potentially dilutive securities in the years presented.

J. Employee Benefits

The undiscounted amount of short -term benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when employees render the services. These benefits include performance incentive and compensated absences. Post-employment benefits are not being treated as expenditure in the year in which the amount is liable to be paid by the company. No provision is made for such post-employment benefits.

K. Borrowing Cost

Borrowing cost related to acquisition or construction of qualifying specific Fixed Assets have been capitalised. A qualifying asset is one that takes substantial period of time to get ready for intended use or sale. All other borrowing costs are charged to revenue.

L. Income Taxes

Tax expense comprises of Current tax and net change in the deferred Tax assets or liabilities for the year. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current

SUNCITY SYNTHETICS LIMITED

CIN:L17110GJ1988PLC010397

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

Notes on Financial Statements for the year ended 31st March, 2025

period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax asset are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. However, due to depreciation losses during the current financial year, no provision for Income Tax is made for the year.

In accordance with IND AS, Taxes on income, deferred tax is recognised, subject to consideration of prudence, being the difference between accounting and taxable income that originate in one year and are capable of reversal in a subsequent year. Deferred Tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet Date.

M. Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amounts, an impairment loss is recognised in the statement of profit and loss to the extent that carrying amount exceeds the recoverable amount. There is no impairment loss during the year.

N. Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made. These are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements. The Provisions, Contingent Liabilities and Contingent Asset are reviewed at each balance sheet date.

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, 2025

Schedule:-2

A. Equity Share Capital

Amount in Rupees

Particulars	Note	Authorised		Issued, Subscribed and Paid-up	
		Number of Shares	Amount	Number of Shares	Amount
Balance at 1 April 2023	15	70.00	700.00	49.46	494.58
Changes in Equity Share Capital		-	-	-	-
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, 2024		70.00	700.00	49.46	494.58
Balance at 1 April 2024	15	70.00	700.00	49.46	494.58
Changes in Equity Share Capital		-	-	-	-
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, 2025		70.00	700.00	49.46	494.58

B. Other Equity

Particulars	Note	Retained Earnings	Capital Subsidy	Share Forfeiture Reserve	Total Other Equity
Balance at 1 April 2023	16	(621.42)	39.87	82.38	(499.18)
Changes in Accounting Policy or Prior Period Errors		(0.10)	-	-	(0.10)
Restated Balance at the Beginning of the Current reporting period		(621.52)	39.87	82.38	(499.28)
Profit/Loss for the year		12.86	-	-	12.86
Others		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive income for the year		12.86	-	-	12.86
Dividends Paid		-	-	-	-
Transfer to Retained Earnings		-	-	-	-
Balance at 31st March, 2024		(608.67)	39.87	82.38	(486.42)
Balance at 1 April 2024	16	(608.67)	39.87	82.38	(486.42)
Changes in Accounting Policy or Prior Period Errors		-	-	-	-
Restated Balance at the Beginning of the Current reporting period		(608.67)	39.87	82.38	(486.42)
Profit/Loss for the year		(56.44)	-	-	(56.44)
Others		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive income for the year		(56.44)	-	-	(56.44)
Dividends Paid		-	-	-	-
Transfer from Retained Earnings		-	-	-	-
Balance at 31st March, 2025		(665.11)	39.87	82.38	(542.86)

For S. Gandhi & Associates
Chartered Accountants.
(Firm Reg. No. : 113667W)

For And On Behalf Of The Board

Sd/-
Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN:
Place: Surat
Date: 10/05/2025

Sd/-
Company Secretary
Vidhi Bafna

Sd/-
Managing Director
Sumita Mishra
DIN: 00207928

Sd/-
Director
Ramesh Chandra Mishra
DIN: 00206671

Suncity Synthetics Limited
205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Surat - 395002
CIN:L17110GJ1988PLC010397
Notes on Financial Statements for the year ended 31st March, 2025

Schedule :-3 Property, Plant & Equipement (Amount in Lacs)											
PARTICULARS	GROSS BLOCK				DEPRECIATION					SLM	
PARTICULARS	OPENING BLOCK	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	CLOSING BLOCK	OPENING DEPRECIATION	DEPRECIATION DURING THE YEAR	DEDUCTION OF DEPRECIATION	CLOSING DEPRECIATION	PROFIT/ (LOSS ON SALE OF ASSET)	CURRENT YEAR WDV	PREVIOUS YEAR WDV
BUILDING (Previous Year)	181.31	-	-	181.31	59.20	5.46	-	64.66	-	116.65	122.11
BUILDING	181.31	-	176.31	5.00	64.66	2.73	64.39	3.00	(39.69)	2.00	116.65
Building (Fiber Unit)	136.39	-	136.39	-	46.85	2.05	48.90	-	(15.26)	-	89.54
Building Pet Unit & ETP Plant	39.92	-	39.92	-	14.89	0.60	15.49	-	(24.43)	-	25.03
Office at Surat	5.00	-	-	5.00	2.92	0.08	-	3.00	-	2.00	2.08
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
Computer	4.47	-	4.47	-	4.44	-	4.44	-	-	-	0.03
PLANT_AND_MACHINERY (Previous Year)	1,392.91	-	432.72	960.20	1,289.16	13.87	411.08	891.94	-	68.26	103.76
PLANT_AND_MACHINERY	960.20	-	558.62	401.58	891.94	4.75	530.39	366.31	30.42	35.28	68.26
Plant & Machinery (Nylon unit)	538.62	-	538.62	-	511.10	0.29	511.39	-	16.42	-	27.52
Plant and Machinery(Fibre Unit)	421.58	-	20.00	401.58	380.85	4.46	19.00	366.31	14.00	35.28	40.74
ELECTRICAL_INSTALLATIONS_AND_EQUIPMENTS (P.Y.)	139.38	-	-	139.38	129.23	1.62	-	130.85	-	8.52	10.14
ELECTRICAL_INSTALLATIONS_AND_EQUIPMENTS	139.38	-	10.63	128.75	130.85	0.18	10.10	120.93	0.37	7.81	8.52
Electrification	139.38	-	10.63	128.75	130.85	0.18	10.10	120.93	0.37	7.81	8.52
OFFICE_EQUIPMENTS (Previous Year)	13.06	-	-	13.06	12.40	0.00	-	12.41	-	0.65	0.66
OFFICE_EQUIPMENTS	13.06	-	13.06	-	12.41	-	12.41	-	-	-	0.65
Air Conditioner	1.84	-	1.84	-	1.75	-	1.75	-	-	-	0.09
Office Equipments	11.22	-	11.22	-	10.66	-	10.66	-	-	-	0.56
MOTOR_VEHICLES (Previous Year)	122.87	-	57.36	65.52	114.39	0.80	54.10	61.09	-	4.43	8.48
MOTOR_VEHICLES	65.52	-	65.52	-	61.09	0.37	61.45	-	(2.55)	-	4.43
AUDI Q3	-	-	-	-	-	-	-	-	-	-	-
HERO SPLENDAR	-	-	-	-	-	-	-	-	-	-	-
SWARAJ MAZDA	-	-	-	-	-	-	-	-	-	-	-
Vehicles	65.52	-	65.52	-	61.09	0.37	61.45	-	(2.55)	-	4.43
Wagon R Old Car Model 2007	-	-	-	-	-	-	-	-	-	-	-
LAND (Previous Year)	54.09	-	-	54.09	-	-	-	-	-	54.09	54.09
LAND	54.09	-	54.09	-	-	-	-	-	-	-	54.09
LAND	54.09	-	54.09	-	-	-	-	-	-	-	54.09
TOTAL	1,418.01	-	882.68	535.33	1,165.39	8.03	683.17	490.24	(11.45)	45.09	252.63
Previous Year Figures	1,908.08	-	490.07	1,418.01	1,608.82	21.75	465.18	1,165.39	31.92	252.63	332.17

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2024

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

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

		(Amount in Lacs)		(Amount in Lacs)			
4	Investments	As At 31 March 2025		As At 31 March 2024			
	(a) Investment in equity Shares	2.40		2.40			
	(b) Investment in Government or trust securities	-	2.40	-	2.40		
			<u>2.40</u>		<u>2.40</u>		
4.1	Company has invested equity shares of following companies	As At 31 March 2025		As At 31 March 2024			
	Gujarat State Financial Corporation (3000 Equity Shares (Previous Year - 3000 Equity shares) of having Face value of ₹10/- each)	0.30		0.30			
	Moti Finance Limited (21,000 Equity Shares (Previous Year - 21,000 Equity shares) of having Face value of Rs. `10/- each	2.10	2.40	2.10	2.40		
			<u>2.40</u>		<u>2.40</u>		
5	Trade Receivables	As At 31 March 2025		As At 31 March 2024			
	(a) Unsecured considered good and	-		-			
	Less: - Provision for bad and doubtful debts	-	-	-	-		
			<u>-</u>		<u>-</u>		
5.1	Trade Receivables Ageing Schedule	Amount in Lacs					
	Particulars	Outstanding for following period from due date of Transaction					
		< 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	-	-	-	-	-	-
	(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
	(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
	(v) Disputed Trade Receivables - which have significant increase in	-	-	-	-	-	-
	(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
6	Loans and Deposits	As At 31 March 2025		As At 31 March 2024			
	(a) Security deposit						
	(i) Unsecured and considered good		15.36		17.01		
			<u>15.36</u>		<u>17.01</u>		
7	Deferred tax Asset (net)	As At 31 March 2025		As At 31 March 2024			
	Deffered Tax Asset						
	Related to Depreciation of Fixed assets	27.25		24.55			
	Related to Carried Forward loss and Unabsorbed Dep.	-	27.25	-	24.55		
			<u>27.25</u>		<u>24.55</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, 2024

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

	(Amount in Lacs)		(Amount in Lacs)	
	As At		As At	
	31 March 2025		31 March 2024	
8 Other Non-Current assets				
<u>Bank deposits with more than 12 months maturity</u>		-		-
		-		-
9 Inventories :				
	As At		As At	
	31 March 2025		31 March 2024	
Raw Material		88.51		121.83
Finished Goods		18.00		30.78
Stores, spares, Coal and packing material		-		2.49
		<u>106.51</u>		<u>155.10</u>
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				
	As At		As At	
	31 March 2025		31 March 2024	
(a) Secured considered good	-	-	-	-
Less: - Provision for bad and doubtful debt	-	-	-	-
(b) Unsecured and considered good	6.75		78.12	
Less: - Provision for bad and doubtful debts	-	6.75	-	78.12
		<u>6.75</u>		<u>78.12</u>

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	-	-	6.75	-	-	6.75
	73.15	-	4.97	-	-	78.12
(ii) Undisputed Trade Receivables - which have significant increase in	-	-	-	-	-	-
	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in	-	-	-	-	-	-
	-	-	-	-	-	-
(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, 2024

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

	(Amount in Lacs)		(Amount in Lacs)	
	As At		As At	
	31 March 2025		31 March 2024	
11 Cash and cash equivalents				
(a) Balances with Banks				
State bank of India (Mumbai)	0.00			0.04
HDFC Bank	1.20			
State Bank of India	0.11	1.31		
(b) Cash on hand		0.29		3.06
(As certified by the Management)				
		<u>1.60</u>		<u>3.11</u>
12 Loans				
(a) Other loans				
(i) Unsecured considered good				
Other loans and advances	-	-	-	-
		<u>-</u>		<u>-</u>
		<u>-</u>		<u>-</u>
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				
	As At		As At	
	31 March 2025		31 March 2024	
Deferred Tax Asset				
On account of Disallowances under section 43B	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
14 Other current assets				
	As At		As At	
	31 March 2025		31 March 2024	
(a) Duties and Taxes receivable	3.40		4.35	
(b) Prepaid Expenses	0.00		0.38	
(c) Advance to Suppliers	0.65		17.00	
	<u>4.05</u>		<u>21.73</u>	
15 Share Capital :				
	As At		As At	
	31 March 2025		31 March 2024	
Authorised Share Capital				
70,00,000 Equity Shares of Rs. 10/- each	700.00		700.00	
(Previous Year 70,00,000 Equity Shares of Rs. 10/- Each.)	<u>700.00</u>		<u>700.00</u>	
Issued, Subscribed & Paid up Share Capital				
Paidup Share capital : 49,45,800 Equity share of Rs. 10/- each fully paid	494.58		494.58	
(Previous Year 49,45,800 Equity Shares of 10/- Each Fully paid)	<u>494.58</u>		<u>494.58</u>	

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2024

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

- 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	(Amount in Lacs)		(Amount in Lacs)	
	As At		As At	
	31 March 2025		31 March 2024	
	No. of Shares	% held	No. of Shares	% held
Sumita Mishra	22,48,383	45.46	-	-
Poonam Suresh Kavar	-	-	6,81,950	13.79
Suresh Dhanraj Kavar Jain	-	-	7,20,946	14.58
Twinkle Jain	-	-	6,74,036	13.63

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

Name of Share Holders	As At	As At
	31 March 2025	31 March 2024
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	49,45,800	49,45,800
Add : Shares issued on exercise of Employee Stock Options	-	-
Less : Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the year	49,45,800	49,45,800

- 15.7 Shareholding of Promoters

Shares held by Promoters at the end of the year					% change during the year
Promoter Name	No. of Shares as on 31.03.2025	% of Total Shares	No. of Shares as on 31.03.2024	% of Total Shares	
Promoters and Promoters Group	22,48,383	45.46	22,48,383	45.46	-
TOTAL	22,48,383	45.46	22,48,383	45.46	-

- 16 Other Equity

	As At	As At
	31 March 2025	31 March 2024
Share Forfeiture Reserve	82.38	82.38
Capital Subsidy	39.87	39.87
Profit & Loss A/c.		
As per Last Balance sheet	-608.66	-621.42
Add/(Less): Prior Period Items	-	-0.10
Add/(Less): Profit/(Loss) for the Year	-56.44	12.86
	-542.86	-486.42

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2024

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

		(Amount in Lacs)		(Amount in Lacs)	
17	Borrowings	As At 31 March 2025		As At 31 March 2024	
		Non Current	Current	Non Current	Current
	(a) Secured loans	-	-	-	-
	(b) Unsecured Loans				
	From Directors and Others	4.64	0.00	278.13	0.00
		<u>4.64</u>	<u>0.00</u>	<u>278.13</u>	<u>0.00</u>

17.1 As per information loan from Directors and others are for long term hence considered as Non-Current in the Financial Statements.

17.2 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>	-	-	-	-
<u>Unsecured:</u>				
Loans From Directors	2.10	-	-	-
Loans From Others	2.54	-	-	-

18	Trade Payables	As At 31 March 2025		As At 31 March 2024	
	<u>Outstanding for more than one year</u>				
	a) Unsecured, Considered Good :	8.65		-	
		<u>8.65</u>		<u>-</u>	

18 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	-	-	-	8.65	8.65
(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)	As At 31 March 2025		As At 31 March 2024	
	Deffered Tax Liability				
	Related to Depreciation of Fixed assets	-		-	
	Related to Carried Forward loss and Unabsorbed Dep.	<u>-</u>		<u>-</u>	
		<u>-</u>		<u>-</u>	

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2024

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

	(Amount in Lacs)	(Amount in Lacs)
	As At 31 March 2025	As At 31 March 2024
20 Borrowings		
(a) Loans repayable on demand		
(i) From banks		
Secured (State bank of India CC A/C)	-	176.36
<i>(carrying interest effective rate 8.65 % P.A.)</i>		
(b) Current Maturities of Long term debt	-	9.81
	<u>-</u>	<u>186.17</u>

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

	As At 31 March 2025	As At 31 March 2024
21 Trade Payables		
a) Unsecured & Considered Good :	-	27.78
	<u>-</u>	<u>27.78</u>

21 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	-	-	-	-	-
	-	-	-	-	-
(ii) Others	-	-	-	-	-
	1.31	18.68	2.03	5.76	27.78
(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.

	As At 31 March 2025	As At 31 March 2024
22 Other Current liabilities		
(a) Creditors for Expenses	30.21	28.58
(b) Statutory Dues	0.18	13.82
(c) Advance received for Fixed assets sold	213.61	10.00
	<u>244.01</u>	<u>52.40</u>

	As At 31 March 2025	As At 31 March 2024
23 Provisions		
Provision for Employee Benefit		
Provision for Salary	-	1.97
Provision for PF and ESIC	-	0.05
	<u>-</u>	<u>2.02</u>

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

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 2024-25		For the year ended 2023-24	
		(Amount in Lacs)		(Amount in Lacs)	
	Sales of Products				
	Sales-Nylon Granules (JDR)	94.33		140.99	
	Sales- Iron & Scrap	1.00		5.06	
	Sales Waste (Plastic Waste)	-		16.43	
	Sales Waste (Nylon)	21.60	116.93	0.00	162.48
	Other operating revenues				
	Commission	-		36.69	
	Freight & Forwarding (GST)	-	0.00	0.93	37.62
			116.93		200.10
25	Other Income :	For the year ended 2024-25		For the year ended 2023-24	
	Interest income				
	Interest on I.T. Refund	0.09		0.03	
	Interest on Fixed Deposit	-	0.09	0.00	0.03
	Others				
	Loss on sale of Vehicles	-		-0.10	
	Insurance claim received	-		0.06	
	Discount & Sundry A/c. w/off	1.06		16.01	
	RIICO Land Charges (GST Credit)	-		0.22	
	Round off	-	1.06	0.00	16.19
			1.15		16.21
26	Cost of Raw material Consumed	For the year ended 2024-25		For the year ended 2023-24	
	Raw Material Consumed				
	Purchase Nylon & Nylon Waste				
	Opening Stock	107.15		114.12	
	Add: Purchases (Net of return & Discount)	64.50		107.89	
	Less: Closing Stock	-73.83	97.82	-107.15	114.87
	Purchase Pet & Pet Waste				
	Opening Stock	14.68		40.77	
	Add: Purchases	0.00		0.00	
	Less: Closing Stock	-14.68	-	-14.68	26.08
			97.82		140.95

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

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

27	Changes in inventories	For the year ended 2024-25	For the year ended 2023-24
		(Amount in Lacs)	(Amount in Lacs)
	Stock of Nylon granules		
	Opening Balance	25.20	7.91
	Closing Balance	14.67	-25.20
		10.53	-17.29
	Stock of Fibre		
	Opening Balance	5.59	10.07
	Closing Balance	3.34	5.58
		2.25	4.49
		12.78	-12.80
28	Employment Benefit Expenses :	For the year ended 2024-25	For the year ended 2023-24
	Director's Remuneration	-	12.00
	Director's Sitting fees	0.75	-
	Salary and Wages Expenses	4.07	9.30
	ESIC Expenses	0.03	0.07
	Provident Fund	0.12	0.41
		4.97	21.78
29	Financial Cost :	For the year ended 2024-25	For the year ended 2023-24
	Bank Charges & Commission	0.05	0.93
	Bank Interest	1.87	20.95
		1.92	21.88
30	Depreciation & Amortised Cost :	For the year ended 2024-25	For the year ended 2023-24
	Depreciation	8.02	21.75
		8.02	21.75

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

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

31	Other Expenses :	For the year ended 2024-25		For the year ended 2023-24	
		(Amount in Lacs)		(Amount in Lacs)	
	<u>Manufacturing Expenses</u>				
	<u>Consumables, Stores and Spare:</u>				
	Opening Stock	2.49		3.79	
	Add: Purchases	0.72		1.58	
	Less: - Closing Stock	-	3.21	-2.49	2.89
	<u>Direct Expenses:-</u>				
	Inward Freight Expenses	2.45		4.15	
	Power & Fuel Charges	6.95		14.94	
	Repair & Maintenance Charges	3.92		5.34	
	Wages for loading and unloading	1.36	14.68	-	24.43
	Total of Direct Exp (A)		17.89		27.31
	<u>Indirect Expenses</u>				
	Advertisement Expenses	0.48		0.14	
	Auditors Remuneration	0.80		0.80	
	ESIC Penalty	-		0.33	
	GST Late fees	0.03		0.25	
	GST Interest	0.09			
	GST Expenses (RCM)	0.02			
	Legal, Professional & Consultancy Fees	2.53		4.23	
	Membership & Listing Fees	8.75		3.63	
	Bad debts w/off	-		5.02	
	Office Expenses	0.06		-	
	Other Expenses	0.16		-	
	Recruitment Expenses	-		0.48	
	Printing, Stationary & Postage A/c	-		0.01	
	Round Off Exps.	0.09		-	
	TDS Interest	-		0.02	
	Insurance Expenses	0.38		-	
	Travelling Expenses	0.21		-	
	Penalty Expenses BSE	5.36		-	
	Transportation Charges	3.41	22.37	3.78	18.68
	Total of Indirect Exp (B)		22.37		18.68
	Total Other Exp. (A+B)		40.26		46.00

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

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

31.1	Payment to Auditors as	(Amount in Lacs)	(Amount in Lacs)
		2024-25	2023-24
	Particulars		
	For Statutory Audit	0.80	0.80
	For Tax Audit	0.00	0.00
	For Taxation Matter	0.00	0.00
	For Company Law Matters	0.00	0.00
	Towards Service Tax	0.00	0.00
	Total	0.80	0.80

32 EARNINGS PER SHARE

	Particulars	2024-25	2023-24
(1)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	-56.44	12.86
(2)	Weighted Average number of equity shares used as denominator for calculating EPS	49.46	49.46
(3)	Basic and Diluted Earnings per share (Rs.)	-1.14	0.26
(4)	Face Value per equity share	10.00	10.00

33 RELATED PARTY DISCLOSURE

A. Key Management Personals and their relatives

(i) Enterprises Owned or Controlled By KMP's
MINAXI SUPPLIERS PVT. LTD.

(ii) Key Management Personnel
SUMITA MISHRA
RAMESH CHANDRA MISHRA
SANGHAMITRA SARANGI
NITIN ARVIND OZA

(iii) Relatives of Key Management Personnel

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

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

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

Particulars	(Amount in Lacs)	
	Transaction entered into Current Year	Previous Year
Enterprises Owned or Controlled By KMP's	-	-
Unsecured Loan Obtained	-	-
Unsecured Loan repaid	-	-
Key Management Personnel	2.87	137.62
Directors Remuneration	-	12.00
Directors Sitting Fees	0.75	0.00
Unsecured Loan Obtained	2.11	74.37
Unsecured Loan repaid	0.01	51.25
Relatives of Key Management Personnel	-	19.60
Unsecured Loan Obtained	-	2.00
Unsecured Loan repaid	-	17.60
Grand Total	2.87	157.22

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

	(Amount in Lacs)	
	O/s Balances of Current Year	Previous Year
Enterprise Owned or Controlled by KMP's	-	0.27
Unsecured Loans	-	0.27
Key Managerial Personnel	2.10	127.03
Unsecured Loans	2.10	127.03
Relatives of Key Management Personnel	-	150.82
Unsecured Loans	-	150.82
Grand Total	2.10	278.12

34 CONTINGENT LIABILITIES AND COMMITMENTS

Following Contingent liability are probable or possible due to past events but the amount cannot be estimated/ recorded in the company's accounts, hence disclosed as notes to accounts.

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Disputed Amount ₹ In Lacs
Central Excise Act, 1944	Duty of Excise	Customs, Excise & Service Tax Commissioner (Appeals), CGST &	F.Y. 2016-17	167.21
Central Goods and Service Tax Act, 2017	Excess of ITC	Commissioner (Appeals), CGST &	F.Y. 2017-18	28.16

36 Ratio Analysis and Justifications: -

(Amount in Lacs)

S. No.	Ratio Analysis	Numerator	Denominator	Current Year	Previous Year	Difference in %
a.	Current Ratio	118.91	244.01	0.49	0.96	-49.24
b.	Debt-Equity Ratio*1	4.64	-48.28	-0.10	56.92	-100.17
c.	Debt Service Coverage Ratio*2	-59.13	6.50	-9.10	0.12	-7680.77
d.	Return on Equity Ratio*3	-	-	-	-2.35	-
e.	Inventory turnover Ratio*4	-	-	-	0.98	-
f.	Trade Receivables turnover Ratio*5	-	-	-	4.75	-
g.	Trade payables turnover Ratio*6	-	-	-	4.15	-
h.	Net capital turnover Ratio*7	-	-	-	-19.41	-
i.	Net profit Ratio*8	-	-	-	0.06	-

SUNCITY SYNTHETICS LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

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

j. Return on Capital employed*9	-	-	-	0.04	-
k. Return on investment*10	-	-	-	0.05	-

Note: Since, the company has undergone change in management and production of goods was there upto 30th September, 2024 as a result company suffered huge losses, therefore ratios from d to k have not been provided.

For S. Gandhi & Associates
Chartered Accountants.
(Firm Reg. No. : 113667W)

For And On Behalf Of The Board

Sd/-
Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN:
Place: Surat
Date: 10/05/2025

Sd/- Company Secretary Vidhi Bafna	Sd/- Managing Director Sumita Mishra DIN: 00207928	Sd/- Director Ramesh Chandra Mishra DIN: 00206671
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SUNCITY SYNTHETICS LIMITED

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

Details List of Schedule as on 31st March, 2025

(Amount Rs. In Lacs)	
Particulars	As on 31-03-2025
<u>Unsecured Loans</u>	
<u>From Directors and Others</u>	
Ramesh Mishra	2.10
Suncity Ind Pvt Ltd.	0.27
Twinke Jain	1.27
Salawas Metals Pvt. Ltd.	1.00
	4.64
<u>Trade Payables</u>	
<u>Creditors for Goods</u>	
Shri Ram Enterprise	5.12
Rajdhani Polymers	1.20
Khushi Creation	1.33
Kanaiya Traders	1.00
	8.65
<u>Creditors for Expenses</u>	
Aakansha Vaid	0.11
Aashna Batteries	0.07
Bagri Ent	0.05
Minaxi Suppliers Pvt. Ltd.	1.41
BSE Limited	0.19
Charu Ent	0.03

SUNCITY SYNTHETICS LIMITED

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

Details List of Schedule as on 31st March, 2025

Particulars	(Amount Rs. In Lacs)
	As on 31-03-2025
Dhara Fabrics Pvt Ltd (Rent)	7.55
H B Mertia & Co.	0.19
J M Graphite & Carbon LLP	1.32
Nakoda Paints	0.07
Nitin Oza	0.25
Prashant traders	0.91
Prime Services	0.52
Pulcra Chemicals India Pvt. Ltd.	4.44
Purva Sharegistry India Pvt. Ltd.	0.18
Rajesh Bhati & Associates	0.06
Ramesh Mishra	8.82
Rajhans Coop. Service Society	0.13
Rathi and Company	0.06
Samanvay Advertising	0.10
Sanghamitra Sarangi	0.20
SEBI	0.56
S Gandhi & Associates	0.65
Suresh Kavar Jain	1.24
Suresh Rathi Securities	0.01
Vidhi	0.15
Manoj	0.94
	30.21
<u>Advance recd. For fixed assets sold</u>	
Surendra Gandhi	2.23
Rishabh Enterprises	168.68
Shri. Valinath Engineering	42.71
	213.61
<u>Advance to Suppliers</u>	
Ankit Enterprises	0.65
	0.65

SUNCITY SYNTHETICS LIMITED

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

Details List of Schedule as on 31st March, 2025

Particulars	(Amount Rs. In Lacs)
	As on 31-03-2025
<u>Statutory Dues</u>	
TDS Payable	0.18
	0.18
<u>Trade Receivables</u>	
Ganesh Glass Works	1.78
Seerat Fibres	1.75
Erosnon Woven (India)	3.21
	6.75
<u>Deposits</u>	
Deposit against GST Appeal	2.82
Deposit with Central Excise	12.54
	15.36
<u>Duties and Taxes Receivable</u>	
Advance Tax (F.Y. 14-15)	1.96
CGST	0.01
IGST	0.05
SGST	0.01
TDS Receivable	1.27
TCS Receivable	0.11
	3.40

SCHEME OF REDUCTION OF SHARE CAPITAL

BETWEEN

**SUNCITY SYNTHETICS LTD
(CIN L17110GJ1988PLC010397)**

AND

ITS SHAREHOLDERS

(UNDER SECTION 66 AND OTHER APPLICABLE SECTIONS
OF THE COMPANIES ACT, 2013 AND NATIONAL COMPANY LAW TRIBUNAL
(PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016)



PREAMBLE OF THE SCHEME

This scheme of reduction of share capital is presented by Suncity Synthetics Ltd (**'Company'** or **'SSL'**), pursuant to the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 and the NCLT (Procedure for Reduction of Share Capital of Company) Rules, 2016 (**'Scheme'**).

PARTS OF THE SCHEME

This Scheme is divided into following parts:

- a) **PART A** which deals with definitions and interpretations;
- b) **PART B** which deals with details of the Company;
- c) **PART C** which deals with reduction of share capital of the Company and listing of shares post reduction of capital; and
- d) **PART D** which deals with general terms and conditions applicable to the Scheme and other matters consequential, incidental, or integrally connected therewith of,



PART A

DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, the following expressions shall have the meanings respectively assigned against them:

- 1.1. **'Accumulated Losses'** shall mean the debit balance in the profit and loss account as shown in the Audited Account of the Company as on March 31, 2024 ;
- 1.2. **'Act'** or the **'the Act'** means the Companies Act, 2013 as notified, and ordinances, rules and regulations made thereunder and shall include any statutory modification, reenactment or amendments thereof, from time to time;
- 1.3. **'Applicable Law(s)' or 'Law(s)'** means any statutes, notification, bye laws, rules, regulations, guidelines, or common law, policy, code, directives, ordinance, Schemes, notices, instruments, decrees, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;
- 1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of the relevant jurisdictions, including (without limitation) if applicable, National Company Law Tribunal, Registrar of Companies, Regional Director, Ministry of Corporate Affairs, Official Liquidator, Bombay Stock Exchange, Securities and Exchange Board of India and other regulatory authorities;
- 1.5. **'Board'** or **'Board of Directors'** in relation to each Company means the Board of such Company and shall include a committee of directors or any person authorized by such Board or such committee of directors duly constituted and authorized for the purposes of matters pertaining or relating to this Scheme;
- 1.6. **'BSE'** shall mean Bombay Stock Exchange Limited;

- 1.7. **‘Effective Date’** means the date on which the certified copy of the order of NCLT sanctioning the Scheme is filed with the Registrar of Companies, Mumbai.
- Any references in this Scheme to the ‘date of coming into effect of this Scheme’ or ‘effectiveness of the Scheme’ or ‘Scheme taking effect’ or ‘upon this Scheme coming into effect’ shall mean the Effective Date;
- 1.8. **‘Employees’** means all the permanent employees, temporary employees and / or part-time employees of the Company as on the Effective Date;
- 1.9. **‘Equity Shares’** means fully paid-up equity shares of Rs 10/- each issued by the Company;
- 1.10. **‘Income-tax Act, 1961’ or ‘IT Act’** means the Income-tax Act, 1961 as may be amended or supplemented from time to time, including any statutory modifications, re-enactments or replacement thereof together with all applicable rules, regulations, by-laws, orders, ordinances, directions, notifications, policies, clarifications and the like issued thereunder;
- 1.12. **‘Listing Agreement’** shall mean the agreement that is entered into between a recognized stock exchange and an entity, on the application of that entity to the recognized stock exchange, undertaking to comply with conditions for listing of designed securities as per the provisions of Listing Regulations;
- 1.13. **‘Listing Regulations’** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- 1.14. **‘National Company Law Tribunal’ or ‘NCLT’** means the National Company Law Tribunal, Mumbai Bench, including all its benches whose jurisdiction the registered office of the Company is situated.
- (Presently the Registered Office of the Company located at the State of Gujarat under the jurisdiction of Registrar of Companies Gujarat. The company making an application for shifting of the registered Office from the state of Gujarat to the State of Maharashtra. Hence for all purposes it is considered for the NCLT jurisdiction as Mumbai Maharashtra and Registrar of Companies at Mumbai Maharashtra.)

;

- 1.15. **'SSL' or 'Company'** shall mean Suncity Synthetics Limited, incorporated on May 10, 2005;
- 1.16. **'Order'** means an order passed by the NCLT sanctioning this Scheme;
- 1.17. **'Registrar of Companies' or 'ROC'** means the Registrar of Companies, Mumbai;
- 1.18. **"RSC Procedure Rules"** means NCLT (Procedure for Reduction of Share Capital of Company) Rules, 2016;
- 1.19. **'Rs' or 'Rupee(s)'** means Indian Rupee, the lawful currency of the Republic of India;
- 1.20. **'Scheme' or 'this Scheme' or 'the Scheme'** means this scheme of reduction of share capital between the Company and its shareholders in its present form or with such alterations(s) / modification(s) as may be approved, imposed or directed by NCLT. This is reduction of capital of the company under section 66 of the Companies Act, 2013;
- 1.21. **'SEBI'** means Securities and Exchange Board of India;
- 1.22. **'SEBI Circular'** means SEBI Master Circular No SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 (updated as on June 30, 2023) read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- 1.23. **'Tax' or 'Taxes' or 'Taxation'** shall mean all taxes (direct / indirect) on net income, gross income, gross receipts, sales, use, services, ad valorem, value-added, capital gains, corporate income tax, minimum alternate tax, buyback distribution tax, dividend distribution tax, transfer, franchise and profits; withholding tax; property tax; water tax; any tax payable in a representative capacity, goods and service tax; service tax, value-added tax, duties of custom and excise, octroi duty, entry tax, stamp duty, other governmental charges or duties or other taxes or statutory payments in relation to contract labour and/ or other contractors and/ or



sub-contractors, statutory pension or other employment benefit plan contributions, fees, assessments or charges of any kind whatsoever, including any surcharge or cess thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; and Taxation will be construed accordingly;

All terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Regulations, Listing Agreement or other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re-enactment thereof, from time to time.

2. INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 2.1. words denoting singular shall include plural and vice versa;
- 2.2. references to “persons” shall include individuals, body corporates (wherever incorporated), government, state or agency of state, un-incorporated entities, joint ventures, associations, partnerships and proprietorship;
- 2.3. headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information and convenience only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;
- 2.4. references to the word “include” or “including” shall be construed without limitation;
- 2.5. references to days, months and years are to calendar days, calendar months and calendar years, respectively;
- 2.6. reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

- 2.7. reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 2.8. word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 2.9. reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
- 2.10. a reference to a balance sheet or profit and loss account shall include a reference to any note forming part of it;
- 2.11. one gender includes all genders and references to any gender includes a reference to other genders; references to "it" shall be deemed to include references to "him" or "her" as the case may be ; and
- 2.12. The Registered Office of the Company presently located at the State of Gujarat under the jurisdiction of Registrar of Companies Gujarat. The company making an application for shifting of the registered Office from the state of Gujarat to the State of Maharashtra. Hence for all purposes it is considered for the NCLT jurisdiction as Mumbai Maharashtra and Registrar of Companies at Mumbai Maharashtra.

PART B

DETAILS OF THE COMPANY

3. BACKGROUND OF THE COMPANY SINCE INCORPORATION

- 3.1. The Company was incorporated on 25th February, 1988 under the provisions of the Companies Act, 1956 as a private company limited by shares under the jurisdiction of Registrar of Companies, Ahmedabad, Gujrat in the name and style of Suncity Sizing Private Limited and subsequently changed its name to Suncity Synthetics Private Limited vide Certificate of change of name issued by Registrar of Companies on 30th March, 1988 and then again name of the company was changed from Suncity Synthetics Private Limited to Suncity Synthetics Limited vide Members Resolution passed on 26th October, 1994 and Certificate of change of name issued by Registrar of Companies on 17th November, 1994.
- 3.2. Presently, the registered office of the Company is situated at 205, Rajhans Complex, Near Nirmal Childrens Hospital, Ring Road, Surat, Gujarat, India, 395002 and in the state of Gujarat. The Company is in the process of shifting the registered office from the state of Gujarat to the State of Maharashtra, India. The Corporate Identification Number (CIN) of the Company is L17110GJ1988PLC010397. The Present Corporate office of the company located at 129-B, Ansa Industrial Estate, Saki Naka, Mumbai 400072.
- 3.3. The Company has one type of Shares "Equity Shares" of face value of Rs 10/- each. The Equity Shares of the Company are listed on BSE.
- 3.4. This Scheme is made pursuant to the provisions of Section 66 of the Companies Act, 2013 and other applicable provisions of the Act and provides for writing off the Accumulated Losses against the capital of the company . The Losses on account of Businesses carried by the Company.

4. MAIN OBJECTS OF THE COMPANY

- 4.1. That the main objects of the Company as per clause III (A) of the memorandum of association of the Company are:

To carry on the business of manufacturing, weaving processing, dyeing, Printing, Bleaching Texturizing, Twisting, spinning, sizing, cleaning, doubling, combining, Calendaring, washing, Crimping, importing, exporting dealing and commissioning agency of Article, natural silk cotton, Woolen, Nylon, Plastic, Man-made and Synthetic Yarns and Fibers.

- 4.2. The Company is primarily engaged in the business of above stated main object.

- 4.3. In the last five years:

(a) the Name and Object of the company has not changed.

(b) there was no change in the registered office of the Company from one state to another. Also, there were no change of capital of the Company.

(c) There is change of Management of the Company in compliance with Regulation 3 & 4 of the SEBI SAST 2011 during the August 2024. The Promoter and majority of shareholders are located at Mumbai in the state of Maharashtra. Hence, the Company proposed to change of Registered Office from one state to another i.e. from Gujarat to Maharashtra, Mumbai.

- 4.4 The company is a listed company and presently Listed with BSE. Being a Listed company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') applicable to the Company.

5. CAPITAL STRUCTURE OF THE COMPANY

- 5.1. The authorised, issued, subscribed and paid-up share capital of the Company as on 31st March 2024 was as under:

Authorised Share Capital	Amount in Rs.
70,00,000 Equity Shares of Rupees 10/- each	7,00,00,000
Total	7,00,00,000
Issued, Subscribed & Paid-Up Capital	
4945800 Equity Shares of Rupees 10/- each	4,94,58,000
Total	4,94,58,000

That there has been no change in the authorised, issued, subscribed and paid-up capital of the Company since 31st March 2024 till date of approval of the proposed Scheme by the Board.

6. COMPLIANCE WITH TAX LAWS

The Scheme has been drawn up to comply with the provisions of the Income-tax Act, 1961 to the extent applicable. If any terms or the provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Act at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to that extent determined necessary to comply with the provisions of the Income-tax Act, 1961.

PART C

REDUCTION OF SHARE CAPITAL OF THE COMPANY

7. RATIONALE AND PURPOSE OF REDUCTION OF SHARE CAPITAL

- 7.1. The company suffered losses on account of Trading and other businesses from time to time due to commercial market condition both in India & Abroad. Non-receipt of the outstanding's from various parties after follow ups, legal recourses, etc.
- 7.2. The Company has been incurring losses for past couple of years AND due to business Loss and inadequate working capital facilities the present business of the company suffered. The Board could not scale the businesses because of proper finance restructuring on account of accumulated losses part of the financials of the Company.
- 7.3. In view of the accumulated carry forward losses that the Company's Balance Sheet is not reflecting at its actual value and with the future prospect of growth and value addition to the shareholders, the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion programs that has been considered for development would need huge amount of investment both in terms of equity as well as debt.
- 7.4. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.
- 7.5. The reduction envisaged under this Scheme will not have any impact on shareholding pattern or the capital structure of the Company. The proposed reduction will be for the benefit of the Company and its shareholders.
- 7.6. The proposed reduction of share capital also does not envisage any payout to any shareholder or any sacrifice on the part of any creditor. Accordingly, the reduction of share capital should not result in any adverse impact on the creditors.
- 7.7. The proposed reduction of the paid-up share capital of the company does not involve any payment of the paid up share capital to the shareholders of the Company nor does it result in

extinguishment of any liability or diminution of any liability or any outstanding payments to any creditors.

7.8. The Scheme does not envisage transfer or vesting of any properties and/or liabilities of the company to any person or entity. The Scheme does not involve any conveyance or transfer of any property of the Company.

7.9. The reduction of Capital does not result in diminution of any liabilities of the Company, in respect of any unpaid capitals nor entails payment to any shareholder of any paid-up capital.

8. OBJECTS / BENEFITS ARISING OUT OF THE SCHEME

8.1. The Company's book would more accurately represent its financial position.

8.2. The right-sizing of the balance sheet is likely to facilitate the efforts of the Company while raising funds and obtaining debt from Banks and Financial Institutions.

8.3. This reduction of capital of the company will help the company to raise fresh capital by private placement basis.

8.4. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Company while raising funds and commercial growth of the Company.

8.5. The Scheme is only for reduction of share capital of the Company and it does not envisage transfer or vesting of any properties and / or liabilities to or in Favor of the Company.

8.6. This Scheme is in the interest of all the shareholders, creditors and other stakeholders of the Company and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

8.7. Hence, the Board believe that in order to present a fair position of the affairs of the Company, the most efficient option available to the Company would be to utilize the balance lying in the Securities Premium Account to the extent of writing off the Accumulated Losses of the Company, subject to the confirmations / sanctions of the requisite majority of the shareholders of the Company and the NCLT and such other appropriate authority, as may be applicable.

- 8.8. By virtue of article 14 of Articles of Association of the Company, the Company is authorized to reduce its share capital in any manner and in accordance with the provisions of the Companies Act, 2013.

9. EFFECTS OF THE SCHEME

- 9.1. As at 31st March 2024, the Company has Accumulated Losses of Rs 4,86,42,337/- (Rupees Four Crores Eighty Six Lacs Forty two Thousand Three Hundred and Thirty Seven Only)]. The Accumulated Losses are reflected as a debit balance under — “Retained Earnings” as a part of “Other Equity”.
- 9.2. The Net worth of the Company as on 31st March 2020 is of Rs. 7,79,13,897/- The losses were on account of adverse market conditions and accumulated in the past 4 – years as under :

Year	Year wise Profit/(Losses)(Rs.)	Net worth after adjustment of Profit / (Losses)
2020-21	(3,87,85,012)	20,35,887
2021-22	27,98,212	7,62,326
2022-23	(12,22,297)	(4,59,972)
2023-24	12,85,636	8,15,663

- 9.3. Therefore, the Company proposes to utilize the debit balance of Rs 4,84,68,840/- (Rupees Four Crore Eighty Four Lakhs Sixty Eight Thousand Eight Hundred and Forty Only) for setting off the accumulated losses reflected against the various reserve (debit balance) of Rs. 4,86,42,337 under “Reserves and Surplus Retained Earnings”, as per the Audited financial statements of the Company as on March 31, 2024.
- 9.4. The pre and post reduction of issued, subscribed & Paid Up Capital of the Company against its Accumulated Losses as on 31st March 2024 shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

Particulars	(Amount in Rs.)		
	Balance as on 31 st March 2024	Proposed Utilization	Balance capital post Capital Reduction
Paid-up capital	4,94,58,000	4,84,68,840	9,89,160
Losses	-	-	(1,73,497)
Effective Capital			8,15,663

9.5. ACCOUNTING TREATMENT

Upon the Scheme under Section 66 read with Section 52 of the Act becoming effective, the Company shall account for reduction of share capital - in its books of accounts in accordance with applicable accounting standards and other accounting principles.

9.5.1 with effect from the Appointed date and upon the scheme becoming effective the amount of share capital as extinguished as per clause 9.4 above shall be reduced from the Equity Share Capital of the company and correspondingly from debit balance of the Profit and Loss account of the Company.

9.5.2 The company will comply with all the relevant accounting policies and Indian Accounting standards and relevant provisions as per section 133 of the Companies Act, 2013 to the extent applicable to the company in relation to the accounting for Reduction of capital and correspondingly writing of accumulated losses of the Company and any other applicable provisions and laws for the time being in force.

9.6. Post Reduction the capital of the Company: Upon Scheme being effective, the amount standing under the Heading of other equity as explained in clause 9.4 issued, subscribed & Paid Up Capital of the Company will be Rs. 9,89,160/- consist of 98916 equity shares of Rs. 10/- each.

9.7. FRACTIONAL SHARES:

In respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number. The company will set up a trust to deal with the fractional shares as per SEBI Circular No. **SEBI/HO/CFD/POD-2/P/CIR/2023/93** dated June 20, 2023 and the same will be headed by the Chairman of Audit Committee.

On allotment of the fractional shares to the chairman of audit committee the shares will be sold in open market within 90 days from the date of allotment of shares as per the draft scheme submitted to SEBI and based on entitlement of fractional shareholders

If any amount not claimed or debited to the said fractional shareholders, the trust as created above transfer unclaimed amount within 120 days from the expire of negotiable instrument to Investor Education and Protection Fund (IEPF) of SEBI and report will be filed to SE.

The company shall submit to the designated stock exchange a report from its Audit Committee and the Independent Directors certifying that the company has compensated to the eligible shareholders and the company will submit such reports within 7 days of compensating the shareholders.

10. PRE AND POST SHAREHOLDING PATTERN

- 10.1. Pending convertible warrants into equity shares : There were no convertible warrants to be converted in to equity shares pending for allotment in the company.
- 10.2. Partly Paid Up Shares : The company does not have any partly paid up shares as on date.
- 10.3. The shareholding pattern of the Company and the percentage of holdings shall remain unchanged on account of reduction of capital of the Company. The Pre & post Shareholding pattern of the company as effective date as under:

Category	Particulars	Prior to the Scheme of Arrangement		Post reduction under Scheme	
		No. of Shares	% to Total	No. of Shares	% to Total
(A)	Promoters & Promoter Group	22,48,383	45.46	44,967	45.46
(B)	Public	26,97,417	54.54	53,949	54.54
(C)	Shares Underlying DRS.	-	-	-	-

(D)	Shares held by the employee trust	-	-	-	-
	TOTAL	49,45,800	100	98,916	100

10.4. There shall be no change in the shareholding pattern of the promoter holdings of the Company on account of reduction of capital of the company.

11. CORPORATE ACTION AND OTHER PROVISIONS AT THE TIME OF ISSUE OF SHARES

11.1. The said new Equity Shares issued and allotted by the Company will be in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

11.2. The shares to be issued to the members of the Companies shall rank for voting rights and in all respects pari-passu with the existing Equity Shares of the Company and having same ratio.

11.3. The Company, shall issue Equity shares within 90 days from the date of registration of the order with the Registrar of Companies or the sanction of this scheme by the Hon'ble Court(s) whichever is later.

11.4. The company will make necessary application to the NSDL & CDSL the depository for admission of the new capital of the company to be raised on accounts of Reduction of capital of the Company.

11.5. CANCELLATION OF SHARES

Upon this reduction becoming finally effective, to all the shareholders in the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders

Those share holders whose holding presently in physical code, the company will issue and allot entitled shares post reduction of capital new share certificates to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as

aforesaid post reduction of capital . And the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The Company instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof.

12. DESIGNATED STOCK EXCHANGE

The Company is listed exclusively on BSE. Hence, the designated stock exchange for interaction with SEBI shall be BSE.

13. COMPLIANCE WITH LISTING AGREEMENT

- 13.1. Notwithstanding the reduction of capital of the Company in pursuance of this Scheme, the listing benefits of the Company on the BSE where the shares of the Company are listed shall continue and the Company will comply with the applicable provision of the SEBI (LODR) Regulations, 2015 and Listing Agreement with the BSE.

The Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges as per the SEBI (LODR) Regulations, 2015. On such formalities being fulfilled the said Stock exchanges shall list and / or admit such equity shares also for the purpose of trading.

- 13.2. For the purpose of issue of equity shares to the shareholders of the Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Company of such equity shares
- 13.3. The New Equity shares issued and allotted to the members post reduction of the capital of the company under this scheme may be listed and / or admitted to trading on the Bombay Stock Exchange (BSE) where the shares of Company is listed and / or admitted to trading in terms of the applicable bye-laws and regulations

PART D

GENERAL TERMS AND CONDITIONS

14. CONDUCT OF BUSINESS BY THE COMPANY

The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations / commitments in the ordinary course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company during the course or after the approval of Scheme.

15. IMPACT OF THE SCHEME ON EMPLOYEES

This Scheme would not in any way adversely affect the Employees of the Company. On the Scheme becoming effective, all Employees in the service of the Company immediately before the Scheme shall stay as the Employees of the Company without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The Company undertakes to continue to abide by the terms of agreement / settlement entered into with employees' union / Employee or associations. The terms and conditions of service applicable to the Employees shall not in any way be less favourable to them than those applicable to them immediately before the Scheme.

16. IMPACT OF THE SCHEME ON CREDITORS / LENDERS / FINANCIAL INSTITUTIONS

This Scheme would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or pay the debts in ordinary course of business. The Creditors of the company will not be affected with this reduction of capital as their claim has not diluted or altered or alienated directly or indirectly for the purpose of this Capital Reduction.

Also, this Scheme does not in any manner whatsoever alter, vary, or affect the rights of the creditors / lenders / financial institutions or the payment of outstanding dues of statutory authorities or any other creditor which is payable or outstanding.



The Company has not accepted or renewed any fixed deposits.

17. CHANGE OF MANAGEMENT

There will be no change of Management or shareholding of the promoters on accounts of Reduction of capital.

18. LEGAL PROCEEDINGS

Without prejudice to the foregoing, if any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature by or against the Company is pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of this reduction of share capital or of anything contained in this Scheme, but the proceedings of the Company will be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company before this Scheme.

19. CONTRACTS, DEEDS, AGREEMENTS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which the Company is a party subsisting or having effect immediately on the Effective Date, shall remain in full force and effect against or in favour of the Company, as the case may be, and shall be enforced by or against the Company as fully and as before this Scheme.

20. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

The Company shall make necessary application / petition under Section 66 read and other applicable provisions of the Act read with Rules framed thereunder to the NCLT for seeking the approval of the Reduction of capital of the Company under this drafted Scheme.

Presently the Registered Office of the Company located in the State of Gujarat under the jurisdiction of Registrar of Companies Gujarat. The company making an application for shifting of the registered Office from the state of Gujarat to the State of Maharashtra. Hence for all purposes it is considered for the NCLT jurisdiction as Mumbai Maharashtra and Registrar of Companies at Mumbai Maharashtra.

21. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 21.1. The Company, by its Board or such other committee / person or persons, as the Board may authorize, may assent to withdrawal of the Scheme in its entirety or to make and / or consent to any modifications / amendments of any kind to the Scheme or to any conditions or limitations that the NCLT / SEBI/ BSE and / or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate, whether as a result of subsequent events or otherwise, by the Board.
- 21.2. The Company, by its Board, are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any authority or howsoever, arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.
- 21.3. The Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority or otherwise, if so, mutually agreed in writing by the Company.

22. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

- 22.1. The Scheme being approved by the shareholders of the Company by way of a Special resolution in a general meeting of the Company;
- 22.2. The Company obtaining the observation letter / no-objection letter from the BSE for the implementation of the Scheme;
- 22.3. The Scheme being sanctioned by the NCLT under Section 66 of the Act and the Rules framed thereunder;

22.4. Certified true copy of the Order being filed with the Registrar of Companies, by the Company.

23. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the Clause 9, 11 and 13 being denied or not being available, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

24. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made as per the direction of the NCLT or any Appropriate Authority, as the case may be, shall be effective from the Effective Date and binding upon all the stakeholders.

25. SEVERABILITY

If any part or section of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board, affect the adoption or validity or interpretation of the other parts and / or provisions of this Scheme. It is hereby clarified that the Board, in their absolute discretion, adopt any part of this Scheme or declare the entire Scheme to be null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the Company or its shareholders or creditors or Employees or any other person.

26. COSTS, CHARGES AND EXPENSES

All costs, charges, duties and levies (except for stamp duty costs) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Company.

27. FORM OF MINUTE UNDER SECTION 66(5) OF THE ACT

The form of minute proposed to be registered under Section 66(5) of the Act, is as follows:

“(a) The Paid up capital of the company of Rs. 4,94,58,000/- consisting of 49,45,800 equity shares of Rs.10/- each will be reduced to Rs 9,89,160/- (Rupees Nine Lakh Eighty Nine Thousand One Hundred and Sixty only) consist of 98916 (Ninety Eight Thousand Nine Hundred and Sixteen) equity shares of Rs 10/- each.”

(b)The Company shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.

28. CORPORATE ACTION AND OTHER PROVISIONS AT THE TIME OF ISSUE OF SHARES POST REDUCTION OF CAPITAL OF THE COMPANY

28.1. The said new Equity Shares issued and allotted by the Company post reduction of the Capital will be in terms of this Scheme shall be subject to the provisions of the Companies Act, 2013 and rules framed thereunder read with the provisions of Memorandum and Articles of Association of the Company.

28.2 The shares to be issued to the members/ allottees of the Companies shall rank for voting rights and in all respects pari-passu with the existing Equity Shares of the Company and having same ratio.

28.3 New Equity shares of the Company issued may be listed and / or admitted to trading on the Bombay Stock Exchange (BSE) where the shares of Company is listed and / or admitted to trading in terms of the applicable bye-laws and regulations.

28.4 The Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for

complying with the formalities of the said Stock Exchanges as per SEBI (LODR) Regulations, 2015. On such formalities being fulfilled the said Stock exchanges shall list and / or admit such equity shares also for the purpose of trading.

28.5 For the purpose of issue of equity shares to the shareholders, the Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Company of such equity shares.

28.6 The Equity Shares to be issued by the Company pursuant to this Reduction of capital, in respect of Equity Shares which are not fully paid up shall also be kept in abeyance.

28.7 The Company, shall issue Equity shares within 90 days from the date of registration of the order with the Registrar of Companies or the sanction of this scheme by the Hon'ble Court(s) whichever is later.

28.8. The company will make necessary application to the NSDL & CDSL the depository for admission of the new capital of the company to be raised on accounts of Reduction of capital of the Company.

29. CANCELLATION OF SHARES

Upon this reduction becoming finally effective, all the shareholders, if so required by the Company, shall surrender their share certificates for cancellation thereof. The Company may instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders.

Notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid post reduction of capital, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date.

Certified true copy

For SUNCITY SYNTHETICS LIMITED



Sumita Mishra

Managing Director

DIN: 00207928

Dated on this September 05, 2024 at Mumbai





To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED,
205, Rajhans Complex, Nr. Nirmal Children's Hospital,
Ring Road, Surat, Gujarat, 395002

We, the statutory auditors of SUNCITY SYNTHETICS LIMITED, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 9.2 of the Draft Scheme of arrangement of reduction of share capital of SUNCITY SYNTHETICS LIMITED in terms of the provisions of section(s) 66 of Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 1956/ Companies Act, 2013 and/or the accounting treatment in respect of financial statements of the company as prescribed by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act which prevail over the accounting treatment for the same as prescribed under the aforesaid Accounting Standards (wherever applicable), except the following: NA

REASON OF LOSSES AND COMMENTS/OPINION ON THE REASONS FOR LOSSES:

As per management representation received from company, main object given in MOA of the company and details given in financial statement we have noted that the Company was into manufacturing of Polyester/ Nylon Staple Fibre and Nylon granules and trading of the same. Since 2018 with the change of international scenario of plastic being a non-degradable material and environmental hazard, the company could not able to meet the changed scenario and compete in the market. Hence it has incurred loss.





S. Gandhi & Associates
CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

We are opined / commented that above stated loss is genuine loss and it was occurred due to change in market condition and it is business losses.

This Certificate is issued at the request of the SUNCITY SYNTHETICS LIMITED pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange (*name of the Stock Exchange(s)*). This Certificate should not be used for any other purpose without our prior written consent.

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi

Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN: 24072278BKELWJ5269
Date: 03/12/2024





S. Gandhi & Associates
CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat, Gujarat, 395002.

We S. Gandhi & Associates having office at 3001, World Trade Centre, Ring Road, Surat FRN: 113667W Auditors of the Company hereby undertake and certify that approval of majority of public shareholders as prescribed under Paragraph (A)(10)(a) of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is not applicable as the scheme of arrangement is for reduction of share capital of the Company.

For S. Gandhi & Associates
Chartered Accountants
FRN: 113667W

Surendra Gandhi

Surendra Gandhi
(Proprietor)
M. No.: 072278



UDIN: **24072278BKELVD2344**
Place: Surat
Date: 05/09/2024



S. Gandhi & Associates

CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat, Gujarat, 395002.

Sub: Certificate relating to the Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company connected the capital reduction/ reorganization, and to the Scheme of Reduction of Company M/s. Suncity Synthetics Limited having CIN: L17110GJ1988PLC010397 under section 66 of the Companies Act, 2013 and NCLT (Procedure for Reduction of Share Capital of Company) Rules, 2016.

Dear Sir,

We S. Gandhi & Associates Chartered Accountants the Statutory Auditors of M/s. Suncity Synthetics Limited having CIN: L17110GJ1988PLC010397, a company incorporated under the Companies Act, 1956 having its Registered Office at 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat, Gujarat, 395002 ("the Company") has examined the Books of Account of the Company and certify that:

3. The Pre and Post Net worth of the Company as on appointed date i.e 01-04-2024 is as under:

Particulars	Pre Scheme Amount (Rs.)	Post Scheme Amount (Rs.)
Equity Share Capital	49458000	989160
Add: Reserves & Surplus	-	
Securities Premium	-	
Profit & Loss A/c (30/06/2024)	(49958576)	(1489736)
Less: Misc. Expenses (to the extent not written off)	-	-
Preliminary Expenses	-	-
NET WORTH	(500576)	(500576)

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi

Surendra Gandhi

(Proprietor)

Mem. No.: 072278

UDIN :24072278BKELVF9421

Place: Surat

Date: 05/09/2024





S. Gandhi & Associates
CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

CERTIFICATE

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Children's Hospital,
Ring Road, Surat, Gujarat, 395002.

We, S. Gandhi & Associates having office at 3001, World Trade Centre, Ring Road, Surat FRN: 113667W, Statutory Auditors of the Company hereby undertake and certify that approval of majority of public shareholders as prescribed under Paragraph (A) (10) (b) of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is not applicable as the scheme of arrangement is for reduction of share capital of the Company.

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi

Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN: 24072278BKELVA7419



Place: Surat
Date: 05/09/2024



CERTIFICATE

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Children's Hospital,
Ring Road, Surat, Gujarat, 395002.

We, S. Gandhi & Associates having office at 3001, World Trade Centre, Ring Road, Surat FRN: 113667W, Statutory Auditors of the Company, hereby undertake and certify that the reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve in the matter of Reduction of Share Capital are as under:

1. The reason for the capital reduction/ reorganization of capital of the Company:

- 1.1 The company suffered losses on account of Trading and other businesses operation from time to time due to unfavorable commercial market condition both in India & Abroad. Increase in the amount of Bad debts due to non-receipt of the outstanding's balances from various parties after constant/ regular follow ups, legal recourses, etc.
 - 1.2 The Company has been incurring losses for past couple of years and due to business Loss and inadequate working capital facilities the present business of the Company suffered. The Board could not scale up the businesses because of proper finance restructuring on account of accumulated losses part of the financials of the Company.
 - 1.3 In light of the above rational and the accumulated losses that are carried forward year on year , in view of the accumulated carry forward losses that the Company's Balance Sheet is not reflecting at its actual value and with the future prospect of growth and value addition to the shareholders, the management of the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion programs that will be required has been considered for development and for achieving the same the Company will require would need huge amount of investment both in terms of equity as well as debt.
 - 1.4 The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.
 - 1.5 The reduction envisaged under this Scheme will not have any impact on shareholding pattern or the capital structure of the Company. The proposed reduction will be for the benefit of the Company and its shareholders and other stakeholders.
 - 1.6 The proposed reduction of share capital also does not envisage any payout to any shareholder or any sacrifice on the part of any creditor. Accordingly, the reduction of share capital should not result in any adverse impact on the creditors.
- The proposed reduction of the paid-up share capital of the company does not involve any payment of the paid-up share capital to the shareholders of the Company nor does it





result in extinguishment of any liability or diminution of any liability or any outstanding payments to any creditors.

- 1.8 The Scheme does not envisage transfer or vesting of any properties and/or liabilities of the company to any person or entity. The Scheme does not involve any conveyance or transfer of any property of the Company.
- 1.9 The reduction of Capital does not neither result in diminution of any liabilities of the Company, in respect of any unpaid capitals nor entails payment to any shareholder of any paid-up capital.

2. Relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve:

2.1 Provision of section 133 of the Companies Act, 2013 read with Rules framed thereunder, and Generally Accepted Principles in India are relevant provisions for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve. The extract of the provision of Section 133 is as given under:

“The Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority.

Provided that until the National Financial Reporting Authority is constituted under section 132 of the Companies Act, 2013 (18 of 2013), the Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949), in consultation with and after examination of the recommendations made by National Advisory Committee on Accounting Standards Constituted under section 210A of the Companies Act, 1956.”

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi

Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN: 24072278BKELVC8474
Place: Surat
Date: 05/09/2024





S. Gandhi & Associates

CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat, Gujarat, 395002.

We, S. Gandhi & Associates having office at 3001, World Trade Centre, Ring Road, Surat FRN: 113667W Auditors of the Company hereby undertake and certify that the Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium in the matter of the Capital Reduction of last 8 (Eight) Financial Year is as given below:

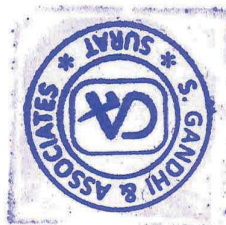
Financial Year	Year wise Profit/(Losses)(Rs.)	Net worth after adjustment of Profit / (Losses)
2016-17	13,27,772	7,82,26,196
2017-18	(3,19,076)	7,79,07,119,
2018-19	5,23,639	7,79,13,897
2019-20	(4,11,62,172)	3,67,49,125
2020-21	(3,87,85,012)	(20,35,887)
2021-22	27,98,212	7,62,326
2022-23	(12,22,297)	(4,59,972)
2023-24	12,85,636	8,15,663

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi
Surendra Gandhi
(Proprietor)

Mem. No.: 072278

UDIN : 24072278BKELUX3951



Place: Surat
Date: 05/09/2024



S. Gandhi & Associates
CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat, Gujarat, 395002.

Subject: Certificate relating to connected with capital reduction/ reorganization, Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, relating to the Scheme of Reduction of Company M/s. Suncity Synthetics Limited having CIN: L17110GJ1988PLC010397 under section 66 of the Companies Act, 2013 and NCLT (Procedure for Reduction of Share Capital of Company) Rules, 2016.

Dear Sir,

We S. Gandhi & Associates Chartered Accountants the Statutory Auditors of M/s. Suncity Synthetics Limited having CIN: L17110GJ1988PLC010397, a company incorporated under the Companies Act, 1956 having its Registered Office at 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road, Surat, Gujarat, 395002 ("the Company") has examined the Books of Account of the Company and certify that:

1. The cases of capital reduction is against the available free Reserves that the company has built up in the past 8- years and the Equity issued subscribed and paid up capital of the Company; and
2. The company has no (a) Capital Reserve, (b) Capital Redemption Reserve or/and any (c) notional and/or unrealized profits.

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi

Surendra Gandhi

(Proprietor)

Mem. No.: 072278

UDIN :24072278BKELVF9421

Place: Surat

Date: 05/09/2024





S. Gandhi & Associates

CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Childrens Hospital,
Ring Road, Surat, Gujarat, 395002.

We, S. Gandhi & Associates having office at 3001, World Trade Centre, Ring Road, Surat FRN: 113667W Auditors of the Company hereby undertake and certify that the built up of the accumulated losses in the matter of the Capital Reduction of last 8 (Eight) Financial Year is as given below :

Financial Year	Year wise Profit/(Losses)(Rs.)	Net worth after adjustment of Profit / (Losses)
2016-17	13,27,772	7,82,26,196
2017-18	(3,19,076)	7,79,07,119
2018-19	5,23,639	7,79,13,897
2019-20	(4,11,62,172)	3,67,49,125
2020-21	(3,87,85,012)	(20,35,887)
2021-22	27,98,212	7,62,326
2022-23	(12,22,297)	(4,59,972)
2023-24	12,85,636	8,15,663

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi
Surendra Gandhi
(Proprietor)

Mem. No.: 072278

UDIN : 24072278BKELUX3951



Place: Surat
Date: 05/09/2024



S. Gandhi & Associates

CHARTERED ACCOUNTANTS

3001, World Trade Centre,
Ring Road, Surat/Gujarat
Ph.: 2310236 / 2338290

CERTIFICATE

To,
The Board of Directors,
SUNCITY SYNTHETICS LIMITED
205, Rajhans Complex, Nr. Nirmal Children's Hospital,
Ring Road, Surat, Gujarat, 395002.

We, S. Gandhi & Associates having office at 3001, World Trade Centre, Ring Road, Surat FRN: 113667W, Statutory Auditors of the Company hereby undertake and certify that the relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment in the matter of Reduction of Share Capital:

Provision of section 133 of the Companies Act, 2013 read with Rules framed thereunder, and generally Accepted Principles in India are relevant provisions for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve. The extract of the provision of Section 133 is as given under:

"The Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority.

Provided that until the National Financial Reporting Authority is constituted under section 132 of the Companies Act, 2013 (18 of 2013), the Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949), in consultation with and after examination of the recommendations made by National Advisory Committee on Accounting Standards Constituted under section 210A of the Companies Act, 1956."

For S. Gandhi & Associates
Chartered Accountants
Firm Registration No.: 113667W

Surendra Gandhi

Surendra Gandhi
(Proprietor)
Mem. No.: 072278
UDIN: 24072278BKELVB9027
Place: Surat
Date: 05/09/2024



June 16, 2025

DCS/AMAL/RG/R37/3659/2025-26

The Company Secretary,
Suncity Synthetics Limited
205, Rajhans Complex,
Nr. Nirmal Childrens Hospital,
Ring Road, Surat, Gujarat, 395002

Dear Sir/ Madam,

Sub: Draft Scheme for reduction of share capital under Companies Act, 2013 - Application filed under Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by "Suncity Synthetics Limited."

This is with reference to the application filed under Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") by Suncity Synthetics Limited for reduction of paid-up equity share capital of the company.

Subsequent to the examination by the Exchange & SEBI, it is observed that,

- i. Suncity Synthetics Limited ("Company") has filed draft Scheme of Arrangement with the Exchanges on September 24, 2024, wherein the scheme provides to write off carried forward accumulated losses of past years against the share capital of the company by way of 98% reduction in the paid-up equity share capital of the company.
- ii. SEBI has recently amended regulation 37(6) of the Listing Regulations, vide gazette notification dated December 12, 2024, to provide inter-alia that: -

"Nothing contained in regulation 37 shall apply to draft schemes which solely provide for writing off accumulated losses against the share capital of the listed entity applied uniformly across all shareholders on pro-rata basis or against the reserves of the listed entity, if such draft schemes are filed with recognized stock exchanges for the purpose of disclosures".
- iii. It is observed that the instant draft scheme solely provides for "writing off accumulated losses of Company", a listed entity, against its share capital applied uniformly across all its shareholders on a pro-rata basis and is therefore covered under the above-mentioned amendment (i.e., Regulation 37(6)(b)).

In view of the above, the draft is being returned to the Company due to non-applicability of Regulation 37 on the instant draft scheme in light of amended Regulation 37(6)(b) of SEBI (LODR) Regulations, 2015.

Yours faithfully,



Ashok Kumar Singh
Deputy Vice President



Raghav Garg
Deputy Manager

We Sumita Mishra and Ramesh Chandra Mishra Directors of the Company hereby undertake that Valuation report from Registered Valuer, along with workings, as applicable, as per Para (A)(4) of Part I of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ["SEBI Master Circular"] is not applicable to the Scheme of arrangement as this is case of reduction of share capital of the Company.

For SUNCITY SYNTHETICS LIMITED



Sumita Mishra
Managing Director
DIN: 00207928



Ramesh Chandra Mishra
Director
DIN: 00206671

Dated on this September 05, 2024 at Mumbai.

SUNCITY SYNTHETICS LIMITED

CIN: L17110GJ1988PLC010397

CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF SUNCITY SYNTHETICS LIMITED HELD ON THURSDAY, 5th SEPTEMBER, 2024 AT 2:00 PM AT THE REGISTERED OFFICE OF THE COMPANY.

Subject: Non Applicability Valuation report from Independent Chartered Accountant as per Para I(A)(4) of Annexure I of SEBI Circular No. SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 ["SEBI Master Circular"] dated June 20, 2023.

"RESOLVED THAT the Board hereby take on record the fact that the Reduction of share capital of the company has not resulted into any change in the Shareholding Pattern of the company post reduction of share capital of the company."

"RESOLVED FURTHER THAT Valuation report from Independent Chartered Accountant as per Para I(A)(4) of Annexure I of SEBI Circular No. SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 ["SEBI Master Circular"] dated June 20, 2023 be and is hereby not applicable to the Reduction of share capital of the company."

//CERTIFIED TRUE COPY//

For Suncity Synthetics Limited,



**Sumita Mishra
Managing Director
(DIN: 00207928)**



**Registered Office Address: 205, Rajhans Complex, Nr. Nirmal Childrens Hospital, Ring Road,
Surat, Gujarat, India, 395002**

**Corporate Office Address : B-129 Ansa Industrial Estate, Sakinaka Andheri East ,Mumbai,
Maharashtra, India, 400072 Mobile No: 9223400434, Contact No: 0261 3063841**

Email id : suncitysyn@gmail.com ; Website : www.suncitysyntheticsltd.in

RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SUNCITY SYNTHETICS LTD AND ITS SHAREHOLDERS ADOPTED AT ITS MEETING HELD ON 05-09-2024.

The following members of the Audit Committee were present:

Sr. No.	Name	Designation
1	Mr. Nitin Arvind Oza	Chairman (Independent non-executive Director)
2	Mrs. Sanghamitra Sarangi	Independent non-executive Director

1. Background

A meeting of the Audit Committee of the Company was held on Thursday 05th September, 2024 to consider and recommend to the Board of Directors of the Company, the draft Scheme for reduction of Share Capital ("Scheme") under Section 66 of the Companies Act, 2013 (including other applicable provisions of the Act and the rules framed there under of Suncity Synthetics Limited (herein after referred as "the Company") with its shareholders, in accordance with the requirement of the Securities and Exchange Board of India ("SEBI") Master Circular No. SEB1/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023 ("Master Circular"), the rules thereof, and BSE Notice No. 20230929-30 dated 29.09.2023 and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("the Rules") including any amendments thereof, as applicable.

The Scheme provides that the accumulated losses of up to Rs. 4,84,58,000/- (Rupees Four Crore Eight four Lakh Fifty Eight Thousand only) as on 31 March 2024, be adjusted from the issued, subscribed and paid-up equity share capital of the Company of Rs. 4,94,58,000/- (Four Crore Ninety four Lakh Fifty Eight Thousand only) by cancelling & extinguishing 48,45,800 equity shares of face value INR 10/- (Rupees Ten only) per equity share from 49,45,800 equity shares of face value of Rs.10/- each leaving a balance of Rs.10,00,000/- consist of 1,00,000 equity shares of face value of Rs10/- each. i.e. about 98% the issued, subscribed and paid up share capital of the Company, without payment of any consideration to the members from the paid up capital of the company as the said amount is not re-presented any asset of the Company.

The draft scheme is and shall be conditional upon and subject to:

- Approval of the Board and the members of the Company through special resolution in terms of the Master Circular No. SEB1/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023;



[Handwritten signature]

- b) Since there were no extinguishment of any creditors right, the approval of the creditors of the Company is not applicable. The Company will follow any direction as prescribed under the Act and/or as may be directed by the National Company Law Tribunal, Mumbai Bench ("NCLT"), and/or any other appropriate authority as may be applicable;
- c) The Company will obtain the observation letter/no-objection letter from the relevant stock exchange for the implementation of the Scheme. BSE is the designated stock exchange;
- d) Sanction by the NCLT under Section 66 and any other applicable provision of the Act;
- e) Certified copy of the order of the NCLT sanctioning the Scheme and the minute of the reduction being filed with the Registrar of Companies, Mumbai, Maharashtra ROC') by the Company; and
- f) the requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of the Scheme.

This report of the Audit Committee is made in compliance with the requirement of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023 ('SEBI Master Circular') read with BSE notice no. 20230929-30 dated 29.09.2023 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities Exchange and Board of India ('SEBI') as amended from time to time, which requires the Audit Committee to submit its report to the Board, that the draft Scheme of the reduction of capital of the Company is not detrimental to the shareholders of the Company.

- The following documents were placed before the Audit Committee:
- Draft Scheme for reduction of Capital;
- Audited Financial Statements of the Company for the year ended March 31, 2024;
- Valuation Report dated 4th August 2024 received from the registered valuer (securities and Financial Assets) M/s. Jay Ashok Shah Chartered Accountant
- A certificate from the statutory auditors of the Company, M/s. Surendra Gandhi – Proprietor Chartered Accountants, confirming that the proposed accounting treatment in the books of the Company relating to the reduction of share capital of the Company as set out in Clause 9.5 of the draft Scheme is outside the purview of the applicable accounting standards as specified under Section 133 of the Companies Act, 2013.



Surendra Gandhi

In the absence of specific guidance for accounting of transactions relating to the reduction of share capital, the accounting treatment under Clause 9.5. of the draft Scheme is construed to be in conformity with other generally accepted accounting principles in India ("Auditors' Certificate");

Following documents were considered by the Committee:

- a. Draft Scheme for reduction of Capital;
- b. Audited Financial Statements of the Company for the year ended March 31, 2024;
- c. Valuation Report received from the registered valuer (securities and Financial Assets) M/s. Jay Ashok Shah Chartered Accountant
- d. A certificate from the statutory auditors of the Company, M/s. Surendra Gandhi – Proprietor Chartered Accountants, confirming that the proposed accounting treatment in the books of the Company relating to the reduction of share capital of the Company as set out in Clause 9.5 of the draft Scheme is outside the purview of the applicable accounting standards as specified under Section 133 of the Companies Act, 2013.

In the absence of specific guidance for accounting of transactions relating to the reduction of share capital, the accounting treatment under Clause 9.5. of the draft Scheme is construed to be in conformity with other generally accepted accounting principles in India ("Auditors' Certificate");

- e. Draft undertaking to be given by the Company confirming that approval of majority of public shareholders as prescribed under Paragraph (A)(10)(b) of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is not applicable to the Scheme along with draft certificate of the Statutory Auditors of the Company, certifying the said undertaking.

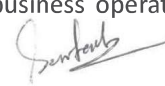
2. PROPOSED SCHEME FOR REDUCTION OF CAPITAL:

The Audit Committee reviewed and considered the draft Scheme for reduction of Share capital of the Company on the following grounds:

A. NEED AND RATIONALE FOR THE PROPOSED SCHEME FOR REDUCTION OF SHARE CAPITAL:

The proposed reduction of the equity share capital of Company is being undertaken in accordance with the provisions of Section 66 of the Act and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner subject to compliance of the Listing Regulations and the SEBI Circular;

The accumulated carry forward losses resulting from the cessation of business operations,

have substantially wiped off the value represented by the Share Capital. thus, the financial statements do not reflect the correct picture of the health of the Company. This has given rise to the need to re-adjust the relation between capital and the reflected liabilities and assets Company in its books of accounts.

3. RATIONALE AND PURPOSE OF REDUCTION OF SHARE CAPITAL

- a. The company suffered losses on account of Trading and other businesses from time to time due to adverse commercial market condition both in India & Abroad. Non-receipt of the outstanding's from various parties after follow ups, legal recourses, etc.
- b. The Company has been incurring losses for past couple of years AND due to business Loss and inadequate working capital facilities the present business of the company suffered. The Board could not scale the businesses because of proper finance restructuring on account of accumulated losses part of the financials of the Company.
- c. In view of the accumulated carry forward losses the Company's Balance Sheet is not reflecting at its actual value and, with the future prospect of growth and value addition to the shareholders, the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion programs that has been considered for development would need huge amount of investment both in terms of equity as well as debt.
- d. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.
- e. The reduction envisaged under this Scheme will not have any impact on shareholding pattern or the capital structure of the Company. The proposed reduction will be for the benefit of the Company and its shareholders.
- f. The proposed reduction of share capital also does not envisage any pay out to any shareholder or any sacrifice on the part of any creditor. Accordingly, the reduction of share capital should not result in any adverse impact on the creditors.
- g. The proposed reduction of the paid-up share capital of the company does not involve any payment of the paid up share capital to the shareholders of the Company nor does it result



Santosh

in extinguishment of any liability or diminution of any liability or any outstanding payments to any creditors.

- h. The Scheme does not envisage transfer or vesting of any properties and/or liabilities of the company to any person or entity. The Scheme does not involve any conveyance or transfer of any property of the Company.
- i. The reduction of Capital does not result in diminution of any liabilities of the Company, in respect of any unpaid capitals nor entails payment to any shareholder of any paid-up capital.

4. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

Here the Scheme of arrangement is for reduction of share capital of the Company which provide following benefits:

- a. The Company's book would more accurately represent its financial position.
- b. The right-sizing of the balance sheet is likely to facilitate the efforts of the Company while raising funds and obtaining debt from Banks and Financial Institutions.
- c. This reduction of capital of the company will help the company to raise fresh capital by private placement basis and other mode of capital raising.
- d. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Company while raising funds and commercial growth of the Company.

5. IMPACT OF THE SCHEME ON THE SHAREHOLDERS

- a. As at 31st March 2024, the Company has Accumulated Losses of Rs 4,86,42,337/- (Rupees Four Crores Eighty Six Lakh Forty Two Thousand Three Hundred and Thirty Seven Only). The Accumulated Losses are reflected as a debit balance under "Retained Earnings" as a part of "Other Equity".
- b. The Net worth of the Company as on 31st March 2020 is of Rs. 7,79,13,897/- The losses were on account of adverse market conditions and accumulated in the past 4 – years as under :

Year	Year wise Profit/(Losses)(Rs.)	Net worth after adjustment of Profit / (Losses)
2020-21	(3,87,85,012)	(20,35,887)
2021-22	27,98,212	7,62,326



Signature

2022-23	(12,22,297)	(4,59,972)
2023-24	12,85,636	8,15,663

- c. Therefore, the Company proposes to utilize the debit balance of Rs 4,84,58,000/- (Rupees Four Crore Eighty-Four Lakhs Fifty-Eight Thousand Only) for setting off the accumulated losses reflected against the debit balance of Rs. 4,86,42,337 under “Reserves and Surplus Retained Earnings”, as per the Audited financial statements of the Company as on March 31, 2024.
- d. The pre and post reduction of issued, subscribed & Paid Up Capital of the Company against its Accumulated Losses as on 31st March 2024 shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

Particulars	(Amount in Rs.)		
	Balance as on 31 st March 2024	Proposed Utilization	Balance Capital post Capital Reduction
Paid-up capital	4,94,58,000	4,84,58,000	9,89,160
Losses	-	-	(1,73,497)
Effective Capital			8,15,663



Suncity

e. SCHEME NOT DETRIMENTAL TO THE SHAREHOLDERS OF THE COMPANY:

In terms of the draft Scheme, upon the scheme becoming effective the accumulated losses of Rs. 4,84,58,000/- (Rupees Four Crore Eighty Four Lakh and Fifty Eight Thousand Only) will be adjusted from debit balance given in “Reserves and Surplus /Retained Earnings”, in balance sheet of FY 31.03.2024 of the Company by cancelling & extinguishing 48,45,800 equity shares of face value INR 10/- (Rupees Ten only) per equity share amounting to Rs. 4,84,58,000/- (Rupees Four Crore Eighty Four Lakh and Fifty Eight Thousand Only) i.e. about 98 % of the share capital. The Capital reduction will not cause any prejudice to the shareholders of the company, as it does not entail any discharge of consideration by the Company in form of cash, or otherwise.

The Company's equity capital structure and the shareholding pattern subsequent to the Scheme will remain unchanged and this reduction will allow the creation of distributable reserves in future for dividend which may get held up due to accumulated losses.

The Committee is of the informed opinion that the proposed scheme is in the best interest of the shareholders of the company and not detrimental to the interest of the shareholders and it has no adverse impact on any shareholders.

6. COST BENEFITS ANALYSIS OF THE SCHEME OR OBJECTS / BENEFITS ARISING OUT OF THE SCHEME

- e. The Company's book would more accurately represent its financial position.
- f. The right-sizing of the balance sheet is likely to facilitate the efforts of the Company while raising funds and obtaining debt from Banks and Financial Institutions.
- g. This reduction of capital of the company will help the company to raise fresh capital by private placement basis and other mode of capital raising.
- h. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Company while raising funds and commercial growth of the Company.
- i. The Scheme is only for reduction of share capital of the Company and it does not envisage transfer or vesting of any properties and / or liabilities to or in Favor of the Company.
- j. This Scheme is in the interest of all the shareholders, creditors and other stakeholders of the Company and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.
- k. Hence, the Board believe that in order to present a fair position of the affairs of the Company, the most efficient option available to the Company would be to utilize the balance



Signature

lying in the Securities Premium Account to the extent of writing off the Accumulated Losses of the Company, subject to the confirmations / sanctions of the requisite majority of the shareholders of the Company and the NCLT and such other appropriate authority, as may be applicable.

- I. By virtue of article 14 of Articles of Association of the Company, the Company is authorized to reduce its share capital in any manner and in accordance with the provisions of the Companies Act, 2013.

7. REASON OF LOSSES AND COMMENTS/OPINION ON THE REASONS FOR LOSSES:

The committee noted that the Company was into manufacturing of Plastic materials and trading of the same. Since 2018 with the change of international scenario of plastic being a non-degradable material and environmental hazard, the company could not able to meet the changed scenario and compete in the market. Hence it has incurred loss.

The committee is opined / commented that above stated loss is genuine loss and it was occurred due to change in market condition and it is business losses.

7. RECOMMENDATION /COMMENTS BY THE AUDIT COMMITTEE ON THE SCHEME

Taking into consideration the proposed Scheme, other information's and Valuation report received from the registered valuer (Securities and Financial Assets) M/s. Jay Ashok Shah Chartered Accountant having Registration No. IBBI/RC/07/2022/14720, draft accounting treatment certificate and draft certificates from the statutory auditor, and considering the above rationale of the Scheme, the Audit Committee confirms that the proposed Scheme is not detrimental to any of the shareholders of the Company and is in the best interest of the Company and its shareholders, creditors, and all other stakeholders.

Thus, the Audit Committee hereby recommends the proposed Scheme to the Board of Directors of the Company for its consideration and approval and to proceed with the designated SE for obtaining the in- principle approval accordingly.



By Order of the Audit Committee

Certified true copy

For SUNCITY SYNTHETICS LIMITED



Sumita Mishra
Managing Director
DIN: 00207928



Ramesh Chandra Mishra
Director
DIN: 00206671

Dated on this September 05, 2024 at Mumbai

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF SUNCITY SYNTHETICS LIMITED
RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SUNCITY SYNTHETICS
LIMITED AND ITS SHAREHOLDERS.**

The following Independent Directors were present:

1. Mr. Nitin Arvind Oza
2. Mrs. Sanghamitra Sarangi

The Committee of Independent Directors unanimously elected Mr. Nitin Arvind Oza as the Chairman of the meeting. Thereafter, He took the chair and presided over the meeting.

1. Background

A meeting of the Independent Directors Committee of the Company was held on Thursday 05th September, 2024 to consider and recommend to the Board of Directors of the Company, the draft Scheme for reduction of Share Capital ("Scheme") under Section 66 of the Companies Act, 2013 (including other applicable provisions of the Act and the rules framed there under of Suncity Synthetics Limited (herein after referred as "the Company") with its shareholders, in accordance with the requirement of the Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023 ("Master Circular"), the rules thereof, and BSE Notice No. 20230929-30 dated 29.09.2023 and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("the Rules") including any amendments thereof, as applicable.

The Scheme provides that the accumulated losses of up to Rs. 4,84,68,840/- (Rupees Four Crore Eighty four Lakh Sixty Eight Thousand Eight Hundred and Forty only) as on 31 March 2024, be adjusted from the issued, subscribed and paid-up equity share capital of the Company of Rs. 4,94,58,000/- (Four Crore Ninety four Lakh Fifty Eight Thousand only) by cancelling & extinguishing 48,46,884 equity shares of face value INR 10/- (Rupees Ten only) per equity share from 49,45,800 equity shares of face value of Rs.10/- each leaving a balance of Rs. 9,89,160/- consist of 98,916 equity shares of face value of Rs. 10/- each. i.e. about 98% of the issued, subscribed and paid up share capital of the Company, without payment of any consideration to the members from the paid up capital of the company as the said amount is not re-presented any asset of the Company.

The draft scheme is and shall be conditional upon and subject to:

- a) Approval of the Board and the members of the Company through special resolution in terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023;
- b) Since there were no extinguishment of any creditors right, the approval of the creditors of the Company is not applicable. The Company will follow any direction as



prescribed under the Act and/or as may be directed by the National Company Law Tribunal, Mumbai Bench ("NCLT"), and/or any other appropriate authority as may be applicable;

- c) The Company will obtain the observation letter/no-objection letter from the relevant stock exchange for the implementation of the Scheme. BSE is the designated stock exchange;
- d) Sanction by the NCLT under Section 66 and any other applicable provision of the Act;
- e) Certified copy of the order of the NCLT sanctioning the Scheme and the minute of the reduction being filed with the Registrar of Companies, Mumbai, Maharashtra ROC') by the Company; and
- f) the requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of the Scheme.

This report of the Independent Directors Committee is made in compliance with the requirement of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023 ('SEBI Master Circular') read with BSE notice no. 20230929-30 dated 29.09.2023 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities Exchange and Board of India ('SEBI') as amended from time to time, which requires the Independent Directors Committee to submit its report to the Board, that the draft Scheme of the reduction of capital of the Company is not detrimental to the shareholders of the Company.

- The following documents were placed before the Independent Directors Committee:
- Draft Scheme for reduction of Capital;
- Audited Financial Statements of the Company for the year ended March 31, 2024;
- Valuation Report dated 4th August 2024 received from the registered valuer (securities and Financial Assets) M/s. Jay Ashok Shah Chartered Accountant
- A certificate from the statutory auditors of the Company, M/s. Surendra Gandhi – Proprietor Chartered Accountants, confirming that the proposed accounting treatment in the books of the Company relating to the reduction of share capital of the Company as set out in Clause 9.5 of the draft Scheme is outside the purview of the applicable accounting standards as specified under Section 133 of the Companies Act, 2013.



In the absence of specific guidance for accounting of transactions relating to the reduction of

share capital, the accounting treatment under Clause 9.5. of the draft Scheme is construed to be in conformity with other generally accepted accounting principles in India ("Auditors' Certificate");

Following documents were considered by the Committee:

- a. Draft Scheme for reduction of Capital;
- b. Audited Financial Statements of the Company for the year ended March 31, 2024;
- c. Valuation Report received from the registered valuer (securities and Financial Assets) M/s. Jay Ashok Shah Chartered Accountant
- d. A certificate from the statutory auditors of the Company, M/s. Surendra Gandhi – Proprietor Chartered Accountants, confirming that the proposed accounting treatment in the books of the Company relating to the reduction of share capital of the Company as set out in Clause 9.5 of the draft Scheme is outside the purview of the applicable accounting standards as specified under Section 133 of the Companies Act, 2013.

In the absence of specific guidance for accounting of transactions relating to the reduction of share capital, the accounting treatment under Clause 9.5. of the draft Scheme is construed to be in conformity with other generally accepted accounting principles in India ("Auditors' Certificate");

- e. Draft undertaking to be given by the Company confirming that approval of majority of public shareholders as prescribed under Paragraph (A)(10)(b) of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is not applicable to the Scheme along with draft certificate of the Statutory Auditors of the Company, certifying the said undertaking.

2. Comments by the Independent Directors Committee on the Scheme

2.1 NEED FOR THE PROPOSED SCHEME FOR REDUCTION OF SHARE CAPITAL:

The proposed reduction of the equity share capital of Company is being undertaken in accordance with the provisions of Section 66 of the Act and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner subject to compliance of the Listing Regulations and the SEBI Circular;

The accumulated carry forward losses resulting from the cessation of business operations, have substantially wiped off the value represented by the Share Capital. thus, the financial statements do not reflect the correct picture of the health of the Company. This has given rise to the need to re-adjust the relation between capital and the reflected liabilities and assets Company in its books of accounts.



2.2 RATIONALE AND PURPOSE OF REDUCTION OF SHARE CAPITAL



- a. The company suffered losses on account of Trading and other businesses from time to time due to adverse commercial market condition both in India & Abroad. Non-receipt of the outstanding's from various parties after follow ups, legal recourses, etc.
- b. The Company has been incurring losses for past couple of years AND due to business Loss and inadequate working capital facilities the present business of the company suffered. The Board could not scale the businesses because of proper finance restructuring on account of accumulated losses part of the financials of the Company.
- c. In view of the accumulated carry forward losses the Company's Balance Sheet is not reflecting at its actual value and, with the future prospect of growth and value addition to the shareholders, the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion programs that has been considered for development would need huge amount of investment both in terms of equity as well as debt.
- d. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.
- e. The reduction envisaged under this Scheme will not have any impact on shareholding pattern or the capital structure of the Company. The proposed reduction will be for the benefit of the Company and its shareholders.
- f. The proposed reduction of share capital also does not envisage any pay out to any shareholder or any sacrifice on the part of any creditor. Accordingly, the reduction of share capital should not result in any adverse impact on the creditors.
- g. The proposed reduction of the paid-up share capital of the company does not involve any payment of the paid up share capital to the shareholders of the Company nor does it result in extinguishment of any liability or diminution of any liability or any outstanding payments to any creditors.
- h. The Scheme does not envisage transfer or vesting of any properties and/or liabilities of the company to any person or entity. The Scheme does not involve any conveyance or transfer of any property of the Company.
- i. The reduction of Capital does not result in diminution of any liabilities of the Company, in



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respect of any unpaid capitals nor entails payment to any shareholder of any paid-up capital.

2.3 SYNERGIES OF BUSINESSES OF THE ENTITIES INVOLVED IN THE SCHEME

Here the Scheme of arrangement is for reduction of share capital of the Company which provide following benefits:

- The Company's book would more accurately represent its financial position.
- The right-sizing of the balance sheet is likely to facilitate the efforts of the Company while raising funds and obtaining debt from Banks and Financial Institutions.
- This reduction of capital of the company will help the company to raise fresh capital by private placement basis and other mode of capital raising.
- The right-sizing of the balance sheet is also likely to facilitate the efforts of the Company while raising funds and commercial growth of the Company.

2.4 IMPACT OF THE SCHEME ON THE SHAREHOLDERS

- As at 31st March 2024, the Company has Accumulated Losses of Rs 4,86,42,337/- (Rupees Four Crores Eighty Six Lakh Forty Two Thousand Three Hundred and Thirty Seven Only). The Accumulated Losses are reflected as a debit balance under "Retained Earnings" as a part of "Other Equity".
- The Net worth of the Company as on 31st March 2020 is of Rs. 7,79,13,897/- The losses were on account of adverse market conditions and accumulated in the past 4 – years as under :

Year	Year wise Profit/(Losses)(Rs.)	Net worth after adjustment of Profit / (Losses)
2020-21	(3,87,85,012)	(20,35,887)
2021-22	27,98,212	7,62,326
2022-23	(12,22,297)	(4,59,972)
2023-24	12,85,636	8,15,663

- Therefore, the Company proposes to utilize the debit balance of Rs. 4,84,68,840/- (Rupees Four Crore Eighty four Lakh Sixty Eight Thousand Eight Hundred and Forty only) for setting off the accumulated losses reflected against the debit balance of Rs. 4,86,42,337/- under "Reserves and Surplus Retained Earnings", as per the Audited financial statements of the Company as on March 31, 2024.



- d. The pre and post reduction of issued, subscribed & Paid Up Capital of the Company against its Accumulated Losses as on 31st March 2024 shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

Particulars	(Amount in Rs.)		
	Balance as on 31 st March 2024 (in INR)	Proposed Utilization (in INR)	Balance Capital post Capital Reduction (in INR)
Paid-up capital	4,94,58,000	4,84,68,840/-	9,89,160
Losses	-	-	(1,73,497)
Effective Capital	-	-	8,15,663

2.5 COST BENEFITS ANALYSIS OF THE SCHEME

- e. The Company's book would more accurately represent its financial position.
The right-sizing of the balance sheet is likely to facilitate the efforts of the Company while raising funds and obtaining debt from Banks and Financial Institutions.
- f. This reduction of capital of the company will help the company to raise fresh capital by private placement basis and other mode of capital raising.
- g. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Company while raising funds and commercial growth of the Company.
- g. The Scheme is only for reduction of share capital of the Company and it does not envisage transfer or vesting of any properties and / or liabilities to or in Favor of the Company.
- h. This Scheme is in the interest of all the shareholders, creditors and other stakeholders of the Company and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.
- i. Hence, the Board believe that in order to present a fair position of the affairs of the Company, the most efficient option available to the Company would be to utilize the balance lying in the Securities Premium Account to the extent of writing off the Accumulated Losses of the Company, subject to the confirmations / sanctions of the requisite majority of the shareholders of the Company and the NCLT and such other appropriate authority, as may be applicable.

By virtue of article 14 of Articles of Association of the Company, the Company is authorized to reduce its share capital in any manner and in accordance with the provisions of the Companies Act, 2013.



3. REASON OF LOSSES AND COMMENTS/OPINION ON THE REASONS FOR LOSSES:

The committee noted that the Company was into manufacturing of Plastic materials and trading of the same. Since 2018 with the change of international scenario of plastic being a non-degradable material and environmental hazard, the company could not able to meet the changed scenario and compete in the market. Hence it has incurred loss.

The committee is opined / commented that above stated loss is genuine loss and it was occurred due to change in market condition and it is business losses.

4. RECOMMENDATION OF THE INDEPENDENT DIRECTOR COMMITTEE

Taking into consideration the proposed Scheme, other information's and Valuation report received from the registered valuer (Securities and Financial Assets) M/s. Jay Ashok Shah Chartered Accountant having Registration No. IBBI/RC/07/2022/14720, draft accounting treatment certificate and draft certificates from the statutory auditor, and considering the above rationale of the Scheme, **the Independent Directors Committee confirms/ opined that the proposed Scheme of reduction is not detrimental to any of the shareholders of the Company and is in the best interest of the Company and its shareholders, creditors, and all other stakeholders.**

Thus, the Independent Directors Committee hereby also recommends the proposed Scheme to the Board of Directors of the Company for its consideration and approval and to proceed with the designated SE for obtaining the in- principle approval accordingly and it is in the interest of the shareholders and Company.

By Order of the Committee Independent Directors

Certified true copy

For SUNCITY SYNTHETICS LIMITED



Sumita Mishra
Managing Director
DIN: 00207928



Ramesh Chandra Mishra
Director
DIN: 00206671

Dated on this September 05, 2024 at Mumbai.