



SUNCITY
SYNTHETICS LTD

17th

ANNUAL REPORT
2004-2005

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Report



JUNCTION

REQUEST:

You may desire to have some clarification or additional information on the accounts for the year ended 31st March 2005 at the ensuing Annual General Meeting. We shall very much appreciate if you will kindly write to us at least ten days in advance to enable us to keep the information ready for you at the meeting..

Annual General Meeting
Friday , 30th September 2005
At 11.00 a.m.
At 3 B Ratan Mahal Appt.
Ghod-dod Road
SURAT.

SUNCITY SYNTHETICS LTD.

BOARD OF DIRECTORS:

Shri Dhanraj K. Jain
Chairman

Shri Suresh Dhanraj Kavar
Managing Director

Shri J.K. Kothari
Whole time Director

Shri Naresh Jain
Director

Shri Madanlal Kothari
Independent Director

Smt. Rachna Jain
Independent Director

BANKERS:

Indus Ind Bank Jodhpur

AUDITORS:

N.KUMBHAT & CO
Chartered Accountants
Surat.

SOLICITORS:

R.G.Patel (Advocate)
Surat.

REGISTERED OFFICE:

3 B Ratan Mahal
Ghod Dod Road
SURAT

FACTORY

Plot No. E-7, Village: Boranada
Dist:: Jodhpur

REGISTRAR & TRANSFER AGENTS;

Mondkar Computers (P) ltd
21, Shakil Nivas
Mahakali Carve Road
Andheri (EAST)
Mumbai

NOTICE

Notice is hereby given that Seventeenth Annual General Meeting of SUNCITY SYNTHETICS LTD. will be held on Friday , 30th September, 2005 at Registered Office of the Company at 3B Ratan Mahal Apts. Ghodod Road. Surat to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account ended on that date with report of Directors' and Auditors' thereon.
2. To appoint a director in place of Shri Dhanraj Kavar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Madan Lal Kothari who retires by rotation. and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

16.08.2005
Surat.

By Order of the Board
For Suncity Synthetics Ltd.

Sd/-
Suresh Kavar
(Managing Director)

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The instrument of proxy in order to be effective must be deposited with the Company on any working day during business hours of the company not less than 48 hours before time for holding the meeting.
3. The register of the members and share transfer books shall remain closed from 16th September 2005 to 30th September 2005 (both days inclusive).
4. Company's shares are listed at Mumbai, Vadodara, Ahemdabad and Jaipur Stock Exchanges. Listing fees of Mumbai and Vadodara stock exchanges for the year 2005-06 is paid.
5. Additional information in respect of directors seeking appointment/reappointment at Annual general meeting in terms of clause 49 of listing agreement.

Name of		
Director	Dhanraj Kavar	Madan Lal Kothari
Date of Birth	10-08-40	28-07-48
Date of appointment	31-07-03	31-07-03
Qualifications	High school	High school
Category	Chairman	Independent
	Non executive	Non Executive

16-08-2005
Surat.

By Order of the Board
For Suncity Synthetics Ltd.

Sd/ -
Suresh Kavar
(Managing Director)

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Directors are pleased to present the seventieth Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March 2005.

FINANCIAL RESULTS:

	(Rs. in Lacs)	
	2004-2005	2003-2004
Sales & Other Income	986.30	774.18
Gross Profit before Interest & Depreciation.	140.81	135.90
Less: Interest	1.09	6.02
Depreciation	29.71	28.04
Profit before Tax.	110.01	101.84
Less: Provision for Tax	13.84	8.10
Less Deferred Tax	(19.63)	(38.31)
Add: Prior year Adjustments		
Less: Loss on sale of fixed assets		
Add: Surplus from Last year	16.70	0.55
Available for Appropriation	132.50	55.97
Less: Dividend	Nil	Nil
Balance carried to Balance-Sheet	132.50	55.97
	=====	=====

DIVIDEND

Since the company is going for expansion/diversification, the directors want to retain the profit earned during last financial year.

FUTURE OUTLOOK

In spite of competition the director are hopeful of satisfactory working in coming year. The director are also exploring areas for diversification to ass the margins. The company is expecting some export order also during current financial year.

MANAGEMENT DISCUSSION AND ANALYSIS**Overview**

The financial statement have been prepared in accordance with requirements of companies Act 1956 and generally accepted accounting standards (GAPP) in India. The management accepts responsibility for the integrity and objectivity of financial statements. The estimates and judgments have been made on prudent reasonable basis in order that the financial statements reflect in true and fair manner the form and substance of transaction and state of affairs of the company.

OPERATIONS

The Turnover of the company during the year was 986 lacs is net of excise as compared to 774 lacs net of excise during previous year. The outlook for textiles is promising and director estimates better working in current year i.e. 2005-06

INTERNAL CONTROL SYSTEM

The company has adequate internal control system and procedures and same is regularly reviewed. The audit committee regularly reviews with management and external auditors.

HUMAN RESOURCE

Company currently employs 25 employees which comprises of qualified and trained in management and technical skill. The company gives due importance to training and welfare of employees to enrich human resource.

FIXED DEPOSITS:

Company has not accepted any fixed deposits for public or shareholders.

DIRECTORS

The retiring director Shri Dhanraj Kavar and Madanlal Kothari are reappointment and directors recommend their appointment. The particulars of directors seeking reappointment are given by way of notes to Notice. There is no change in constitution of Board during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to section 217 (2AA) of the companies (amendment) Act 2000 your directors confirm that

- a) in preparation of the accounts the applicable accounting standards has been followed.
- b) appropriate accounting policies have been selected and applied consistently directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the company for the period ended 31st march 2005.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies act 1956 for safeguarding the assets of the company and for irregularities.
- d) the accounts have been prepared in a going concern basis.

CORPORATE GOVERNANCE:

Report on corporate governance as per clause 47 of listing agreement with stock exchange along with certificate of statutory auditors thereon is given by way of annexure.

AUDITORS AND AUDITORS REPORT:

The retiring auditors M/s N. Kumbhat and co. chartered accounts are eligible for reappointment and have furnished the company certificate under sub section 1 B of section 224 of companies act 1956 for their eligibility. The director recommends reappointment of retiring Auditors.

PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to section 217 (2A) of the Companies Act. 1956 read with companies (particulars of employees) rules 1975 is to be considered as nil since company has no employee drawing remuneration beyond prescribed limits.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The particulars prescribed under subsection (1) (e) of section 217 of the Companies Act 1956 read with companies (disclosures of particulars in report of the Board of Directors) rules 1988 are set out in Annexure to.

ACKNOWLEDGMENT

The directors place on records their appreciation of support and co-operation received from Financial institutions, Bankers, Shareholders and members and look forward for their continued support.

ANNEXURE

Information pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1999.

1. CONSERVATION OF ENERGY**A. Power and fuel consumption:**

(a) Electricity:		2004 -05	2003-04
(i)	Purchased:		
	Units (KWH)	733508	680905
	Total Amount (Rs. in Lacs)	35.08	31.32
	Rate/ Unit (Rs.)	4.77	4.59
(ii)	Own Generation:		
	Units (KWH)	21780	27787
	Units per ltr. of diesel oil	3.30	3.25
	Rate / Unit (Rs.)	7.99	6.76

B. Consumption per unit of production:**2. TECHNOLOGY ABSORPTION****Research & Development**

(A) Specific areas in which R & D work was carried out	Presently Company do not have any activity relating to R & D.
(B) Benefits derived as a result of above R & D.	Not Applicable
(C) Future plan of action.	Not Applicable
(D) Expenditure on R & D.	Nil
(E) Technology Absorption	No technology absorption during the year.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO**Foreign exchange earnings and out go**

Foreign Exchange out go:-	(Rs. In Lacs)
Raw Materials	75.97
Traveling	4.07
Stores-Spares	0.00

16.08.2005.
Surat

By Order of the Board
For Suncity Synthetics Ltd
Sd/-

Suresh Kavar
Managing Director

ANNEXURE TO DIRECTORS REPORT**REPORT ON CORPORATE GOVERNANCE**

COMPANY PHILOSOPHY: The company's business objective is to manufacture and market company's product in such a way as to create value that can be sustained over long term for consumers, shareholder, employees, business partners and national economy. The company is conscious of fact that success of corporation is a reflection of the professionalism, conduct and ethical values of it's management and employees.

BOARD OF DIRECTORS :

Details of Composition, Attendance at Board Meeting and last Annual General Meeting etc. is given under :

Name of Director & Category	Attendance Board Meeting	Attendance Last A.G.M.	Other Directorship	Committee Membership
Shri Dhanraj Kavar Non Executive	4	Yes	3	Nil
Shri Suresh Kavar Executive	4	Yes	3	Nil
Shri Naresh Jain Executive	4	Yes	3	Nil
Shri J.K.Kothari Non Executive Independent	4	Yes	Nil	Nil
Shri Madanlal Kothari Non Executive Independent	4	Yes	Nil	Nil
Smt. Rachna Jain Non Executive Independent	4	Yes	Nil	Nil

During the year four meetings of Board of Directors were held on 31-04-2004, 31-07-2004, 31-10-2004 and 31-01-2005. The gap between two board meetings was not more than 4 months. Detail of Directors to be appointed at Annual General Meeting is given as notes to notice of Annual General Meeting.

Audit Committee

The Audit Committee consisted of two Independent Directors namely Shri Madanlal Kothari and Smt. Rachana Jain. Shri Madanlal Kothari is chairman of Audit Committee.

Terms of reference of Audit Committee are as per Section 292A of the Companies Act 1956 and the guidelines set out in clause 49 of listing agreement with Stock Exchange. Besides the Board may other terms for consideration by committee. The Four meetings of Audit Committee were held during the year.

Remuneration Committee:

The company does not pay any remuneration or sitting fees to Non Executive Directors. The remuneration committee recommends the remuneration payable to executive directors and key managerial personal. The company has not granted any stock option.

The remuneration paid to executive directors during the year is as under

1. Shri Suresh Kavar Rs. 144000/- Salary
2. Shri Naresh Jain Rs. 144000/- Salary

Shareholders Grievance Committee:

The company has constituted shareholders grievance committee under chairpersonship of Smt. Rachana Kasatia. Shri Dhanraj Jain and Shri Naresh Jain are member of committee. The committee overseas the performance of registers.