



**SUNCITY SYNTHETICS LTD.**

**25th  
Annual Report  
2012-2013**

**CONTENTS**

**BOARD OF DIRECTORS**

**NOTICE**

**DIRECTOR REPORT**

**BALANCE-SHEET**

**PROFIT & LOSS ACCOUNTS**

**SCHEDULES**

**CASH FLOW STATEMENT**

**Request :**

You may desire to have some clarifications or additional information on the accounts for the year ended 31st March 2013 at the ensuring Annual General Meeting. We shell 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 August 2013  
At 11.00 A.M.  
205, Rajhans Complex,  
Ring Road, SURAT

**BOARD OF DIRECTORS :**

**Shri Suresh Dhanraj Kavar**  
Managing Director

**Registered Office**  
205, Rajhans Complex,  
Ring Road, SURAT

**Smt. Poonam Jain**  
Whole Time Director

**Adm. Office:**  
C-8, Shastri Nagar  
Jodhpur (Raj.) India

**Deepak Sharma**  
Independent Director

**Smt. Rachna Jain**  
Independent Director

**Bankers :**  
Indusind Bank, Jodhpur  
S.B.B.J. Jodhpur

**Factories**  
Unit I : Plot No. E-7, Village Boranada  
Dist. Jodhpur  
Unit II : Block No. 51, Pipodara  
Dist. Surat  
Unit III : F-5, (B,C,D) lind Phase, Boranada,  
Jodhpur

**Auditors:**  
N.Kumbhat & Co.  
Chartered Accountants  
Surat

**Registrar & Transfer agent**  
Universal Capital Securities Pvt. Ltd.  
21, Shakil Nivas,  
Mahakali Carve Road, Andheri (East)  
MUMBAI

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SUNCITY SYNTHETICS LIMITED WILL BE HELD ON FRIDAY 30th AUGUST 2013 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 205 RAJHANS COMPLEX , OPP. J.K.TOWERS, RING ROAD SURAT 395002 TO TRANSACT THE FOLLOWING BUSINESS:-

## ORDINARY BUSINESS:-

1. To consider and adopt the Balance Sheet as at 31.03.2013 and the Profit and Loss Account for the year ended as on date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Poonam Suresh Jain, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Mr Deepak Sharma S/o Poonam Chand Sharma Director in place of Shri Madanraj Kothari who retires by rotation and being eligible, but has not offered himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

## NOTES:-

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- (2) Members desiring any information as regards accounts, are requested to write to the Company at least 10 days before the meeting to enable management to keep the information ready.
- (3) Members/Proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting place.

Place : Surat

By Order of the Board of Directors

Date :-27.05.2013

Suresh Kavar  
Managing Director**DETAILS OF DIRECTORS SEEKING APPOINTMENT /REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING**

(In pursuance of Clause 49 of the Listing Agreement)

1) Name of Directors	Deepak Sharma	Poonam Jain
2) Date of Birth	07.10.1968	12.09.1968
3) Qualification	Bsc.	Bsc.
4) Date of Appointment	30.08.2013	01.12.2010
5) Experience	20 Years	12 Years

## DIRECTORS' REPORT

To,  
The Members

Your directors have pleasure in presenting their Twenty Fifth annual report and the audited statement of accounts for the year ended on 31st March, 2013 together with the auditor's report thereon.

### FINANCIAL RESULTS

The summarized financial results for yearend 31st March 2013 are as under

Amount in Rs.

Particulars	2012-13	2011-12
Revenue from operations	84337335	100463528
Other Income	536641	1649991
Financial Costs	3684566	302265
Depreciation	6124546	4792794
Profit before tax	3276003	6974809
Less: provision for tax including deferred tax	1667502	696576
Add: Surplus	1608501	6278233

### REVIEW OF OPERATIONS:

During the year there is a marginal increase in operating profits however higher interest and depreciation costs have brought down the profits for Rs.69,74,809/- in year 31.03.2012 to Rs. 16,67,502/- in current financial year. . The company has made addition of Rs.11, 78, 39,901/- in fixed assets during the year including investment of Rs.8,82,38,720/- in plant and machinery. The benefits of investments shall accrue in coming years.

### DIVIDEND

With a view of plough back profits for working of company the directors do not recommend any dividend for the year ended 31st March 2011.

### COMPANY PERFORMANCE

The company continues to operate in Plastics RECYCLING business mainly production of nylon chips and polyester fibre. However the availability of nylon wastes the principal raw materials is main constraint for increased volumes. The company is proposing diversifying in other products to ensure sustainability.

### MANAGEMENT DISCUSSION AND ANALYSIS.

- (a) Industry Structure and Developments :- Company is engaged in business of Recycling of nylon/polyester waste .
- (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) Segmentwise or productwise Proformance :- Company operates in single segment and segment wise reporting is not applicable.
- (d) Outlook :- The Company shall continue to explore its policy of expansion based on availability of resources and opportunity .
- (e) Risks & Concerns :- Company do not foresee any such risk in near future, which will hamper the activities.
- (f) Internal control systems and their adequacy :- Company is in the process of implementing various softwares for better control.
- (g) Human Resources Management Initiatives:- The management is keenly interested this field. All the efforts are made to rationalize its manpower and make effective use of the same.

### BOARD OF DIRECTORS:

M.s Poonam Jain and Madan ji Kothari retire by rotation at ensuing Annual general meeting. They are eligible for reappointment. However Mr. Madanraj Jain has not offered himself for reappointment and hence directos have recommended appointment of Mr .Deepak Sharma s/o Poonam chand Sharma as an Independent director and Board of directors also recommends the reappointment of Mrs. Poonam Jain.

### AUDITORS :

M/s. N. Kumbhat & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible offer themselves

for reappointment. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board of directors commends their reappointment.

#### **FIXED DEPOSITS:**

Your Company has not accepted any deposits from public.

#### **CORPORATE GOVERNANCE:**

Certificate of the statutory auditors regarding compliance of the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with stock exchange, is enclosed..

#### **STATUTORY INFORMATION:**

- (i) Information under section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:-

##### **A. CONSERVATION OF ENERGY**

Energy conservation measures taken: None at present

Additional investment and proposals, if any, being implemented for reduction of consumption of energy: There are no proposals.

Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Does not arise.

Total energy consumption and energy consumption per unit of production as per Form "A" to annexure in respect of industries specified in the schedule thereto

<b>A.Power and fuel consumption</b>	<b>2012-13</b>	<b>2011-12</b>
(a) Electricity Purchased		
Units(KWH	507722	619741
Total amount Rs.in lacs	40.06	37.55
Rate/Unit (Rs.)	7.88	6.06
Own Generation		
Units (KWH)	19665	9068
Units per liter of diesel oil	4.10	4.30
Rate/unit (Rs.)	12.50	10.70

##### **B. TECHNOLOGY ABSORPTION**

###### **Form B**

Research & Development (R & D)

Specific area in which R & D carried by the company: None at Present

Benefits derived as a result of the above R & D: Does not arise.

Future plan of action: At present it is not under consideration

Expenditure on R & D: Nil

Technology absorption, adaptation and innovation:

Efforts being made towards technology absorption, adaptation and innovation: None

Benefits derived as a result of the above efforts e.g. Product improvement cost, reduction, product development, import substitution etc. : None

Imported technology: Not applicable as technology has not been imported.

##### **C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Earning: Rs.Nil

Outgo : Rs 37711047/-

INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AS AMENDED UP TO DATE :

The company do not have any employee drawing salary in excess of limits prescribed under section 217 (2a) of the companies act, 1956 read with the companies (particulars of employees) rules 1975 the particulars should be treated as nil

**DIRECTORS' RESPONSIBILITY STATEMENT.**

Your Directors confirm that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the loss of the company for the year.
- (iii) the Directors has taken proper and sufficient care 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 preventing and detecting fraud and other irregularities, and
- (iv) the Directors had prepared the accounts on going concern basis.

**INDUSTRIAL RELATIONS:**

The industrial relations continued to be cordial during the year under review.

**ACKNOWLEDGMENT:**

The Directors express their sincere thanks to the employees, customers, suppliers, company's bankers and members of the company for their continued support.

Place : Surat

Date : 27.05.2013

For & On Behalf of the Board of Directors

Chairman

**REPORT ON CORPORATE GOVERNANCE**

The Company's policies and practices continued to aim at efficient conduct of business and in effective meeting its obligations to the shareholders as the company believes in good corporate governance.

**BOARD OF DIRECTORS:**

The present strength of Board of Directors of your Company is Four. Two directors are executive directors and two are non executive directors. None of the directors are members in more than ten committees and they do not act as chairman of more than five committees

"Independent Director" who apart from receiving director's remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, which in judgment of the Board may affect independence of judgment of director.

Brief resume of the directors who retire by rotation and seek reappointment. is given in the notes to the notice, the members are requested to refer the same.

Attendance of Directors at the meeting of Board of Directors held during the financial year 2012-2013 and the last Annual General Meeting held for the on 29.09.2012 are as follows:

Details of Meetings of Board of Directors held during the year 2012-2013:

Sr.No.	Date	No. of Directors present
1	30.04.2012	4
2	31.07.2012	4
3	28.08.2012	4
4	30.10.2012	4
5	31.01.2013	4
6	31.03.2013	4

The gap between the two board meetings was not more than four months

Number of Board of Directors or Board Committee of Public Limited Companies of which a Director is member or chairperson.

Name of Director	Category	AGM attendance	Other directorship in public limited companies	Committee membership
Shri Suresh Kavar	Executive	Yes	Nil	--
Smt. Poonam Suresh Jain	Executive	Yes	Nil	--
Smt.Rachana Kataria	Independent	Yes	Nil	1
Shri Madan ji Kothari	Independent	Yes	Nil	1

**AUDIT COMMITTEE:**

Brief description of terms of reference

To oversee the company's financial reporting process, internal control system, reviewing the accounting policies and practices, reports of the company's Quarterly/Half Yearly/Yearly financial statements as also to review financial and risk management policies.

Composition : Consists of 2 directors as under :  
 Name of Members & Chairperson : 1) Mr. Madan ji Kothari ( Chairman)  
 : 2) Ms. Rachana kataria

The Five meetings were held during the year on 30.04.2012, 31.07.2012, 28.08.2012, 30.10.2012, 31.01.2013. All meetings were attended by all directors .

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

Brief description of terms of reference

To specifically look into the redressal of complaints like transfer of shares, non-receipt of annual reports, etc. received from shareholders/investors and improve the efficiency in investors' service wherever possible.

Composition : Consists of 3 directors as under :  
 Name of Members & Chairperson : 1) Ms.Rachana Kasatia Chairperson  
 : 2) Mr. Madan ji Kothari

The complains received during the year have been replied and no complaints are pending at end of the year  
 Name of Compliance Officer : Mr. Manoj Jain

**REMUNERATION COMMITTEE:**

The Executive Directors' remuneration is fixed by the committee within the overall limit and recommended for approval by the Board of Directors and the Shareholders at their meetings. Presently, the Non Executive Directors are not paid any remuneration or sitting fees

Composition : Consists of 2 directors as under :  
 Name of Members & Chairperson : 1) Mr. Madan ji Kothari ( Chairman)  
 : 2) Ms. Rachana kasatia

The remuneration paid to directors during the year is as under

1.Shri Suresh Kavar Rs.6,00,000.00  
 2.Ms.Poonam Jain Rs .6,00,000.00

**ANNUAL GENERAL MEETING :**

Details of last three Annual General Meetings held:

Particulars	2009-2010	2010-11	2011-12
Day	Thursday	Thursday	Saturday
Date	30.09.2010	18.08.2011	29.09.2012
Time	11.00 a.m	11.00 a.m.	11.00 a.m.
Venue	205 Rajhans Complex, Ring Road Surat		

**DISCLOSURES:**

- Disclosures on materially significant related party transaction, i.e., transactions of the company of material nature, with its Promoters, Directors, or the Management their subsidiaries or relative, etc. that may have potential conflict with the interest on the company at large:-  
 None of the transactions with any of the related parties were in conflict with the interest of the company.
- Details of non compliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory or any matter related to capital market during the last three years.  
 The company has complied with the requirements of regulatory authorities on matters related to the capital market and no penalties/strictures have been imposed against the company during the last three years.

**MEANS OF COMMUNICATION:**

The Company publishes its financial results every quarter in newspapers. Communications on the half yearly results are not sent individually to the Shareholders of the company.

**COMPLIANCE CERTIFICATE**

The certificate regarding compliance of conditions of clause 49 of the Listing Agreement from the Auditors of the company is annexed hereto.