



SUNCITY SYNTHETICS LTD.

26th Annual Report



2013-14

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Request :

You may desire to have some clarifications or additional information on the accounts for the year ended 31st March 2014 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 :

Thrusday 25 Sept. 2014, At 11.00 A.M.
205, Rajhans Complex,
Ring Road, SURAT

BOARD OF DIRECTORS :

Shri Suresh Dhanraj Kavar
Managing Director

Smt. Poonam Jain
Whole Time Director

Deepak Sharma
Independent Director

Smt. Rachna Jain
Independent Director

Registered Office
205, Rajhans Complex,
Ring Road, SURAT

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

Bankers :
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) IInd 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 SIXTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SUNCITY SYNTHETICS LIMITED WILL BE HELD ON THURSDAY ,25TH SEPTEMBER, 2014 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 31.03.2014 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 Shri. Suresh Kavar Jain, (din 00337493) who retires by rotation and being eligible, offers himself for reappointment.
3. 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.

SPECIAL BUSINESS

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

RESOLVED THAT Pursuant to the provisions of the section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, read with schedule IV of the Act, as amended from time to time Ms.Rachana Akshaya Kataria (Holding DIN 03050635) a non executive Director of the Company who has submitted a declaration that he meets with the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an independent Director of the Company with effect from 30th September, 2014 to 29th September, 2019

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

RESOLVED THAT Pursuant to the provisions of the section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, read with schedule IV of the Act, as amended from time to time Mr.Deepak Sharma (Holding DIN 06701624) a non executive Director of the Company who has submitted a declaration that he meets with the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an independent Director of the Company with effect from 30th September, 2014 to 29th September, 2019

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.
- (4) Statement under section 102(1) is enclosed

Place:Surat

Date :-02.09.2014

By Order of the Board of Directors

Suresh Kavar
Managing Director

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013**ITEM NO. 4**

Ms. Rachana Jain joined the Board of Directors of the Company on 31/07/2003. She is non executive Independent Director of the Company and is considered as an independent Director under clause 49 of the listing Agreement ..

As per the provision of Section 149 of the Companies Act, 2013 which has come into force from 1st April, 2014, and independent Director shall hold office for a term upto 5 consecutive years on the Board of Directors of a Company and is not liable to retire by rotation. Ms. Rachana Jain has given declaration to the Board that He meets the criteria of independent as provided under section 149 (6) of the Act. Copy of the said resolution with other relevant documents would be available for inspection without fees by the members at the Registered office of the Company during the business hours on any working day,

In opinion of the Board Ms. Rachana Jain full fills the conditions specified in the Act and the rules made there under for appointment as independent Director and he is independent of the management. In Compliance with the provisions in section 149 read with Schedule IV of the Act, the appointment of Ms. Rachana Jain as an independent Director is now being place before the members in the general meeting for their approval.

None of the other directors of the Company is in any way concerned or interested in this resolution

ITEM NO. 5

MR. Deepak Sharma joined the Board of Directors of the Company on 30/08/2013. He is non executive Independent Director of the Company and is considered as an independent Director under clause 49 of the listing Agreement ..

As per the provision of Section 149 of the Companies Act, 2013 which has come into force from 1st April, 2014, and independent Director shall hold office for a term up to 5 consecutive years on the Board of Directors of a Company and is not liable to retire by rotation. Mr. Deepak Sharma a has given declaration to the Board that He meets the criteria of independent as provided under section 149 (6) of the Act. Copy of the said resolution with other relevant documents would be available for inspection without fees by the members at the Registered office of the Company during the business hours on any working day,

In opinion of the Board Mr. Deepak Sharma full fills the conditions specified in the Act and the rules made there under for appointment as independent Director and he is independent of the management. In Compliance with the provisions in section 149 read with Schedule IV of the Act, the appointment of Mr. Deepak Sharma as an independent Director is now being place before the members in the general meeting for their approval.

None of the other directors of the Company is in any way concerned or interested in this resolution

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING**(In pursuance of Clause 49 of the Listing Agreement)**

1. Name of Directors	Suresh Jain	Rachna Jain	Deepak Sharma
2. Date of Birth	18.06.1964	15.01.1972	07-10-1968
3. Qualification	C.A.		
4. Date of Appointment	25.02.1988	31.07.2003	30.08.2013
5. Experience	26 Years	Housewife	20 Years
6. Other Directorship as on 31.3.2014	Nil	Nil	Nil
7. Chairman/member of the Committee as on 31.03.2014	Nil	Nil	Nil

DIRECTORS' REPORT

To,

The Members

Your directors have pleasure in presenting their Twenty Sixth annual report and the audited statement of accounts for the year ended on 31st March, 2014 together with the auditors report thereon.

FINANCIAL RESULTS

The summarized financial results for year end 31st March 2014 are as under

Amount in Rupees		
Particulars	2013-14	2012-13
Total Revenue (Including other income)	379411937	81913976
Gross Profit before Interest and depreciation	30322448	13085115
Less : Interest	13397298	3684566
Less : depreciation	11783267	6124546
Profit/loss before tax	5141883	3276003
Less: provision for tax including deferred tax	2821488	1667502
Add: Surplus	2348310	1608501

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 2014.

COMPANY PERFORMANCE

The company continues to operate in Plastics business mainly production of nylon and polyester chips. The sales for year has increased from Rs. 8,19,13,976/- to Rs. 37,94,11,397/- due to efforts of management and the profits have also increased for Rs. 16,08,501/- to Rs. 23,48,410/-.

MANAGEMENT DISCUSSION AND ANALYSIS.

- (a) **Industry Structure and Developments :-** Company is engaged in business of nylon/polyester chips/ Fibre 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) **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:

Mr. Suresh Kavar Jain Managing Director retires by rotation and is eligible for being reappointment as directors. The independent directors are proposed to be appointed for five years in terms of provisions of the Companies Act 2013. The particulars of directors whose appointment is to be considered is given as annexure to notice.

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 commend 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

- a) Energy conservation measures taken: None at present
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: There are no proposals.
- c) 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.
- d) 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

A. Power and fuel consumption	2013-14	2012-13
(a) Electricity Purchased	3047412	507722
Units(KWH)		
Total amount Rs.in lacs	1953.11	40.06
Rate/Unit (Rs.)	6.41	7.88
 Own Generation		
Units (KWH)	27168	19665
Units per liter of diesel oil	3.6	4.10
Rate/unit (Rs.)	21.75	12.5

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.24.66 lacs

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 : 02/09/2014

For & On Behalf of the Board of Directors

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 Five. Two directors are executive directors and four 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 re appointment. 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 2013-2014 and the last Annual General Meeting held for the on 30.08.2013 are as follows:

Details of Meetings of Board of Directors held during the year 2013-2014:

Sr.No.	Date	No. of Directors present
1	30/04/2013	4
2	27/05/2013	4
3	31.07.2013	4
4	20/10/2013	4
5	31/01/2014	4
6	31.03.2014	4

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