



SUNCITY SYNTHETICS LTD.

27th Annual Report



2014-15

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REQUEST:

You may desire to have some clarification or additional information on the accounts for the year ended 31st March, 2015 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

Thursday, 24th September 2015
11.00 a.m. at
205, Rajhans Complex
Ring Road
SURAT.

BOARD OF DIRECTORS:

Shri Suresh Dhanraj Kavar
Managing Director

Smt. Poonam Jain
Whole Time Director

Shri Deepak Sharma
Independent Director

Smt. Rachna Jain
Independent Director

Bankers:

S.B.B.J. Bank
Jodhpur

Auditors:
N.KUMBHAT & CO
Chartered Accountants
Surat

REGISTERED OFFICE:

205, Rajhans Complex
Ring Road, Surat

Adm. office
C-8 Shashti nagar,
Jodhpur (Raj.) India

Factories

Unit I: E-7, II phase, Boranada
Dist: Jodhpur
Unit II: F-5, II phase, Boranada
Dist: Jodhpur
Unit III: 51, Pipodara Surat

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SUNCITY SYNTHETICS LIMITED WILL BE HELD ON THURSDAY, 24TH SEPTEMBER, 2015 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 receive, consider and adopt the Audited Financial Statement of the company including the Balance Sheet as at 31.03.2015 and the statement of Profit and Loss of the company for the financial year (12 month period from 1-4-2014 to 31-3-2015) ended 31st march 2015 and the report of board of director and the Auditors thereon.
2. To appoint a Director in place of Smt. Poonam Suresh Jain, (Din 01971928) who retires by rotation and being eligible, offers himself for reappointment.
- 3 To appoint Auditors and to fix the remuneration.

Place : Surat
Date: 5-8-2015

By Order of the Board of
For: Suncity SyntheticsLtd.

Suresh Dhanraj Kavar
Chairman and managing Director

NOTES :-

(1) A member entitled to attend and vote at the annual general meeting (meeting) is entitled to appoint a proxy to attend and vote instead himself / herself and proxy need not be a member of the company.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, shall be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting. A proxy form is annexed to this notice.

2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified true copy of board resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. In case of joint holder attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.

4. Pursuant to section 102 of the act, the statement setting out the material facts concerning each item of special business to be conducted at the annual general meeting is annexed hereto.

5. The Register of member and share transfer register books of the company shall remain closed from Tuesday 22nd September, 2015 to Thursday 24th September, 2015 (both days inclusive)

6. Members are requested to furnish their Bank account details of address and all the required details, to the Registrar & Transfer agent Universal Capital Securities P Ltd. In respect of shares if held in physical form. In case of shares held in electronic form should be furnished to the respective Depository participants (DPs).

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in the securities market. Member

holding share in electronic form are therefore, requested to submit their copies of PAN card to their Depository participants with whom they are maintaining their demat accounts, member holding shares in physical form can submit their PAN details to the company /Registrar & Transfer agent

8. For convenience of the members and for proper conduct of the meeting, entry to the place of the meeting will be regulated by way of attendance slip, which is annexed to this notice. Members are requested to bring their attendance and sign the same at the place provided and hand it over at the entrance of the venue.

9. Member are requested to send all communication relating to shares to the Registrar & Transfer agent of the company at the following address:

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

If the share are held in electronic form, then change of address and change in the bank accounts, etc should be furnished to the respective Depository participants (DPs).

Place : Surat
Date :-05-08-2015

By Order of the Board of Directors

Suresh Kavar
Managing Director

DIRECTORS' REPORT

To,
The Members

Your directors have pleasure in presenting their Twenty seventh annual report and the audited statement of accounts for the year ended on 31st March, 2015 together with the auditors report thereon.

FINANCIAL RESULTS

The summarized financial results for year end 31st March 2015 are as under
Amount in Rs.

Particulars	2014-15	2013-14
Total Revenue (Including other income)	445786527	379411937
Gross Profit before Interest and depreciation	33706899	30322448
Less : Interest	17791372	13397298
Less : depreciation	20345142	11783267
Profit/loss before tax	-4429615	5141883
Less: provision for tax including deferred tax	(4201889)	2821488
Add: Surplus	-227726	2348310

DIVIDEND

Since the company does not have profits for year hence
The directors do not recommend any dividend for the year ended 31st March 2015.

COMPANY PERFORMANCE

The company continues to operate in Plastics business mainly production of Polyester staple fiber and nylon granules. The sales for year has increased from Rs. 37,94,11,397/- to Rs.44,57,86,527/-. But net loss of Rs. 222726/- due to change in depreciation rates as per guideline of institute of chartered accountant of India.

MANAGEMENT DISCUSSION AND ANALYSIS.

- (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) **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 particular 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 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

- 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	2014-15	2013-14
(a) Electricity Purchased	3688432	3047412
Units(KWH)		
Total amount Rs.in lacs	2369.70	1953.11
Rate/Unit (Rs.)	6.42	6.41
Own Generation		
Units (KWH)	16650	27168
Units per liter of diesel oil	3.8	3.6
Rate/unit (Rs.)	17.55	21.75

B. TECHNOLOGY ABSORPTION

Form B

Research & Development (R & D)

1. Specific area in which R & D carried by the company: None at Present
2. Benefits derived as a result of the above R & D: Does not arise.
3. Future plan of action: At present it is not under consideration
4. Expenditure on R & D: Nil

Technology absorption, adaptation and innovation:

1. Efforts being made towards technology absorption, adaptation and innovation: None
2. Benefits derived as a result of the above efforts e.g. Product improvement cost, reduction, product development, import substitution etc. : None
3. Imported technology: Not applicable as technology has not been imported.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Earning: Rs.Nil **Outgo :** Rs.129.49 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.

For & On Behalf of the Board of Directors

Place : Surat

Date : 05/08/2015

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 re appointment. is given in the notes to the notice, the members are requested to refer the same.