

18th Annual Report - **2009-10**

Sunitee Chemicals Limited

SUNITEE CHEMICALS LIMITED

BOARD OF DIRECTORS

Shri Dhaval Solanki	Managing Director
Smt. Preeti Patadia	Director
Shri Vipin Chandra Shivhare	Director
Shri Pushpendra Neema	Director

BANKERS OF THE COMPANY

Indian Overseas Bank
UTI Bank Limited

STATUTORY AUDITORS

S. N. Gadia & Company
Chartered Accountants
241, Appollo Tower, 2, M.G Road,
Indore. Madhya Pradesh.-425001

LISTING

AHEMDABAD

The Stock Exchange Ahmedabad
Kamdheni Complex,
Nr. Panjarapole,
Ambawadi, Ahmedabad – 380 015.

MUMBAI

Bombay Stock Exchange Limited
25th Floor, P.J.Towers,
Dalal Street, Fort,
Mumbai – 400 001.

REGISTRAR & SHARE TRANSFER AGENTS: ADDRESS.

Purva Sharegistry (India) Pvt. Ltd.
Shiv Shakti Ind. Estate
J.R. Barucha Marg, Opp. Kasturba Hospital
Lower Parel (East), Mumbai – 400 011

REGISTERED OFFICE

D-133, Shri Ghantakarna Mahaveer Market
Near New Cloth Market, Sarangpur
Ahmedabad-380009, Gujarat

SUNITEE CHEMICALS LIMITED

Directors' Report

To the members,

Your Directors have pleasure in presenting the Eighteenth Annual Report and Audited Accounts for the financial year ended 31st March, 2010:

Financial results

(Rs in lacs)

Particulars	2009-2010	2008-2009
Total Income	159.86	96.90
Total expenditure	158.56	95.09
Operating profit (PBIDT)	1.30	1.81
Depreciation	0.26	0.26
Profit before Taxation	1.05	1.55
Provision for Tax	0.38	0.53
Add: Deferred Tax Liability Reversal	0.02	0.08
Profit after Taxation	0.68	1.10
Add Balance brought forward from previous year	(7.25)	(8.34)
Amount available for appropriation	(6.57)	(7.24)
Appropriation: To General Reserve		
Balance carried to Balance Sheet	(6.57)	(7.24)

Dividend

In the absence of sufficient profits, your Directors regret their inability to propose any Dividend for the year 2009-10.

Results of operations

During the year under review the Company posted a turnover of Rs. 159.86 Lacs (Previous Year Rs. 96.90 Lacs) and an operating profit of Rs.1.30 Lacs (Previous year Rs. 1.81 Lacs)

New Project and Business Development

Presently, the trading of Organic and In-Organic Chemicals and Treasury Operations are the two core activities of the Company. The management is planning to venture into the field of (i) Real Estate, Construction and Infrastructure Development; and (ii) Manufacturing and Trading of Gems & Jewellery, diamonds, and gold refinery and other incidental objects relevant thereto.

Management Discussion & Analysis Report

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, management Discussion & Analysis Report is appended to this Report.

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Corporate Governance

A separate section on Corporate Governance and certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report.

Environment Protection

The Company is doing only the trading activities. It does not generate any water or Air Pollution. Hence, the law and regulations relating to the Pollution Control and Environment Protection are not applicable to the Company.

Insurance and Protection of Assets

The Company's all fixed assets and tangible movable assets are properly insured against all available commercial risks like fire, flood, earthquake and other extraneous perils from the approved insurance companies. During the year the Company has not made any insurance claims and no such claims are pending for settlement

Fixed Deposits

Your company has not accepted any fixed deposits during the year under review and as such, no amount of principle or interest was outstanding as on the balance sheet date.

Directors

Mr. Dhaval Solanki and Mr. Vipin Chandra Shivhare will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The necessary resolutions are being placed before the members for approval.

Auditors

M/s. S.N. Gadia & Company, Chartered Accountants, Statutory auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Sandeep S. Kushwaha & Associates, Chartered Accountants, till the conclusion of the next Annual General Meeting.

The comments by the Auditors in their Report are self-explanatory and in the opinion of the Board, do not require any further clarifications.

Particulars of Employees:

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 nobody of the Company is drawing salary or commission, which exceeds the limit set out in the above section. Therefore nothing has been mentioned in this regard.

Directors' Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the company hereby state and confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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- 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 the financial year and of the profit of the company for the period;
- iii. the Directors had 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;
- iv. the Directors had prepared the annual accounts on a going concern basis.

Statutory Disclosure

Information pursuant to 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 is as under:

Part A and Part B relating to Conservation of Energy and Technology Absorption are not applicable to the company.

Details of foreign exchange earnings and outgo are NIL for the financial year under review.

Appreciation

Your directors would like to express their grateful appreciation for the assistance and co-operation received from the Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep appreciation for the services rendered by the Executives, Staff and Workers of the Company at all levels and for their dedication and loyalty.

For and on behalf of the Board

Place: Ahmedabad

Date: 03.09.2010

Director

Director

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MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

1. Industrial Structure and Developments

During the financial year 2009-2010 the overall economic scenario has been on recovery and the economy is overcoming from the recession which gives positive sign for growth in the coming years. With the recovery in sight we are optimistic for the Chemical Sector (Organic as well as In-Organic) . The Company is banking on both the activities, i.e., Chemical Trading and Treasury Operations. The Company is pushing hard to commence the real estate construction and development and manufacturing and trading of gems, jewellery, diamonds, gold refinery and incidental objects relevant thereto.

2. Outlook on Opportunities, Threats, Rick and Concerns

Opportunities

The management's is working on possibilities in the field of real estate construction and development and manufacturing and trading of gems, jewellery, diamonds, gold refinery and incidental objects relevant thereto.

Threats, Risk and Concerns:

The proposal to venture into the field of real estate construction and development and manufacturing and trading of gems, jewellery, diamonds, gold refinery has certain threats, risk and concerns:

- Availability of suitable lands for construction and development.
- Government policies
- General economic conditions and financial sector conditions.
- Availability of suitable land which could be used for the production of Organic Manure.
- Mobilization of resources to implement the project, including, internal resources, Bank financing, raising of funds from the shareholders, associating any strategic stakeholder(s), etc. to this end the management has initiated exploring the available options at the lowest cost to meet the financial requirements.

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- Required technology to implement the project. To this end, the management has already begun short listing the potential partners who could meet the technology requirement for the future projects of the Company.

Therefore, the success of the Project, if implemented, is dependent, inter-alia, on the above factors.

3. Internal Control Systems and their Adequacy

The Company has adequate internal control systems and procedures to ensure that all assets are safeguarded and protected against any loss from unauthorized use and that all transactions are authorized and reported correctly.

The processes and systems followed by the company at operational level have been integrated with the equipments and people associated therewith. In the Chemical industry, the process & systems followed are significantly important and are often shared with the customers to build the requisite confidence. The management is happy to state that the emphasis on the processes and systems is paying rich dividends in terms of quality performance and customer satisfaction.

4. Financial Performance

The Company's total turnover for the financial year 2009-2010 is 159.86 Lacs (Previous Year Rs. 96.90 Lacs). The top-line has slightly improved however due to restructuring the Company could earn a Net Profit before tax of Rs. 1.05 Lacs only (Previous Year Rs. 1.54 Lacs). The Company is optimistic about its proposed business ventures which are highly profitable.

5. Development of Human Resources

The company has been proactive to build the requisite skill-sets in the organization for its new project initiatives. The relevant industry experience of the team coupled with commitment towards adherence to the operating processes adopted by the company is a unique feature demonstrated by the company. Employees are encouraged to upgrade their skills and knowledge through various training programs.

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Note:

This report contains forward-looking statements based on beliefs of the company's management. The words anticipate, believe, estimate, forecast, expect, intend, plan, should and project are used to identify forward-looking statements. Such statements reflect the company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different, including amongst others, changes in the general economic and business conditions, changes in the currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services, and changes in business strategy. Actual results may vary materially from those projected here. The company does not intend to assume any obligation to update these forward-looking statements.

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CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Sunitee Chemicals Limited, being a professionally managed Company, strongly believes that Corporate Governance envisages attainment of high level of transparency, accountability and integrity thereby assisting the top management of the Company in efficient conduct of its business. The Company has been maintaining cordial relations with all stakeholders.

Sunitee Chemicals Limited believes that its systems and actions must be integrated for enhancement of overall corporate performance helps maximizing the shareholders value' in the long run, protection of the interest of its shareholders and employees and maintenance of cordial relationship with its customers and bankers. Apart from good remuneration, salaries and other facilities, the Company provides pleasant work atmosphere to its employees. The role of each and every employee is well defined in the hierarchy.

The Company has a Cell for investors' grievances, which promptly and efficiently resolves the problems and queries of the investors of the Company.

The Company places due emphasis on regulatory compliances.

BOARD OF DIRECTORS

During the year under review, 8 Board Meetings were held on 12th May, 2009, 30th June, 2009, 31st July, 2009, 31st August, 2009, 01st September, 2009, 3rd September, 2009, 31st October, 2009, and 28th January, 2010. The composition of the Board, attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting, number of Directorships and memberships / Chairmanships in public companies (including the Company) are given below:-

Name of the Director	Category	FY 2009-10 Attendance at		No. of other Directorships	Other Committee positions	
		Board Meetings	Last AGM		Member	Chairman
Mr. Dhaval Solanki	Managing Director	8	Yes	Nil	Nil	Nil
Ms. Preeti Patadia	Director	5	Yes	Nil	Nil	Nil
Mr. Vipin Chandra Shihare	Non-Executive	8	Yes	Nil	Nil	Nil
Mr. Pushpendra Neema	Non-Executive, Independent	8	Yes	1	Nil	Nil

During the year under review, the Company was having a Managing Director who was looking after the day-to-day operations of the company.