

SUNITEE CHEMICALS LIMITED

**20TH
ANNUAL REPORT
2011-2012**

SUNITEE CHEMICALS LIMITED

BOARD OF DIRECTORS

Shri Dhaval Solanki	Managing Director
Smt. Preeti Patadia	Additional Director
Shri Vipin Chandra Shivhare	Director
Shri Madan Das	Additional 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,
Kamdhenu 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:

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

REGISTERED OFFICE ADDRESS:

D-133, Shri Ghantakarna Mahaveer Market,
Near New Cloth Market, Sarangpur,
Ahmedabad – 380 009, Gujarat.

SUNITEE CHEMICALS LIMITED

NOTICE

NOTICE is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the Members of **SUNITEE CHEMICALS LIMITED** will be held on Saturday, the 29th day of September, 2012 at 10.00 a.m. at the registered office of the Company at D-133, Shri Ghantakarna Mahaveer Market, Near New Cloth Market, Sarangpur, Ahmedabad – 380 009, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2012 and the Profit & Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in Place of Mr. Dhaval Solanki, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in Place of Mr. Vipin Chandra Shivhare, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

Appointment of Ms. Preeti Khimjibhai Patadia as a Director of the Company

“RESOLVED THAT Ms. Preeti Khimjibhai Patadia who was appointed by the Board of directors as an additional director of the Company with effect from 4th October, 2011 and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) be and is hereby appointed a Director of the Company and who shall be liable to retire by rotation.”

6. **To consider and, if thought fit, to pass, with or without modification (s), the following Resolution as an Ordinary Resolution:**

Appointment of Mr. Madan Das as a Director of the Company

“RESOLVED THAT Mr. Madan Das who was appointed by the Board of directors as an additional director of the Company with effect from 2nd July, 2012 and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) be and is hereby appointed a Director of the Company and who shall be liable to retire by rotation.”

7. **To consider and, if thought fit, to pass, with or without modification (s), the following Resolution as a Special Resolution:**

Alteration of Articles of Association (AOA) of the Company

“RESOLVED THAT pursuant to the provisions of section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

- i) **The following Article be inserted after the existing Article 83(2)(b) as a Article 83(2)(c):**

Participation through Electronic Mode

83(2)(c) Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- ii) **The following Article be inserted after the existing Article 149 as Article 149(a):**

Participation through Electronic Mode

149(a) Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- iii) **The following proviso be inserted after the existing Article 154(2) as Article 154(2)(a)**

154(2)(a) Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

iv) The following Article be inserted after the existing Article 87(2) as Article 87(2a):

87(2a) Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/ may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.

FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee or any person which the Board may constitute/ nominate to exercise its powers, including the powers conferred by this Resolution) be authorised to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

8. To consider and, if thought fit, to pass, with or without modification (s), the following Resolution as a Special Resolution:

To Keep Registers and other Statutory Records of the Company at office other than Registered office of the Company

"RESOLVED THAT approval be accorded to the Company to keep its Registers and Index of Members and copies of Annual Returns prepared under section 159 of the Companies Act, 1956 together with copies of Certificates and documents required to be annexed thereto under section 161 of the Companies Act, 1956, or one of them at the office premises of the Company's Registrar & Share Transfer Agents viz. Purva Sharegistry (India) Private Limited ("R&T Agents") at Shiv Shakti Ind. Estate, J. R. Borich Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai – 400 011 and/or such other place(s) within the city of Mumbai where R&T Agents may shift its office from time to time and/or at the Registered office of the Company at D-133, Shri Ghantakarna Mahaveer Market, Near New Cloth Market, Sarangpur J.R., Ahmedabad - 380 009."

9. To consider and, if thought fit, to pass, with or without modification (s), the following Resolution as a Special Resolution:

Re-appointment of Mr. Dhaval Solanki as Managing Director w.e.f. 28th November, 2011

"RESOLVED that pursuant to the provisions of section(s) 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and such other approval(s), permission(s) and sanction(s), as may be required, and subject to such condition(s) and modification(s), as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, Mr. Dhaval Solanki be and is re-appointed as Managing Director of the Company for a period of 3 (Three) years with effect from November 28, 2011 on a nil remuneration.

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FURTHER RESOLVED that the Board of Directors be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

FURTHER RESOLVED that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the minimum remuneration as may be decided by the Board of Directors by way of salary subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, any Director of the Company be authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary document(s), application(s), returns and writings as may be necessary, proper, desirable or expedient.”

Registered Office:

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

Date: 14.08.2012

For and Behalf of the Board

Managing Director

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ANNEXED TO THE ANNUAL REPORT.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **27th September, 2012 to 29th September, 2012** (inclusive both days).
3. Explanatory Statement under Section 173(2) of the Companies Act, 1956 is attached herewith.
4. Members are requested to intimate to the Company, quoting Registered Folio number, change in their address, if any, with the Pin code number.
5. In all correspondence with the Company or its Share Transfer Agents, members are requested to quote their account / folio number and in case the shares are held in the dematerialized form, they must quote their client ID number and their DP ID number.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting so that the information required by the members may be made available at the meeting.

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7. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.

Registered Office:

D-133, Shri Ghantakarna Mahaveer Market,

Near New Cloth Market,

Sarangpur, Ahmedabad, Gujarat.

Date: 14.08.2012

For and Behalf of the Board

Managing Director

PROFILE OF DIRECTORS' SEEKING RE-APPOINTMENT

Mr. Dhaval Solanki, a commerce graduate, young and dynamic personality, possesses exceptional zeal for putting the Company into one of the big brand in construction and jewellery business besides the chemical business

Mr. Vipin Chand Shivhare has rich experience in the field of general business and financial management. Therefore, his appointment would be in the interest of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5 & 6:

Ms.Preeti Khimjibhai Patadia and Mr. Madan Das were appointed as Additional Directors of the Company on 4th October, 2011 and 2nd July, 2012 respectively. As per the provisions of the Section 260 of the Companies Act, 1956, both the above directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment. Keeping in view the experience and expertise of Ms.Preeti Khimjibhai Patadia and Mr. Madan Das, their appointment as Directors of the Company is recommended.

Each of the Directors is deemed to be interested in the resolution to their own appointment.

Item No. 7:

The Ministry of Corporate Affairs (“MCA”), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated 20th May, 2011 and Circular No.35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of the Green Initiatives under Corporate Governance. Further, MCA vide Circular No. 72/2011 dated 27th December, 2011 made the Video Conference facility at the Shareholders Meetings optional to the listed companies.

Section 53 of the Companies Act, 1956 and Articles of Association of the Company provides for modes of service of documents on a Member of the Company. The MCA has vide Circular No. 17/ 2011 dated 21st April, 2011 stated that a company would have complied with section 53 if the service of a document has been made through electronic mode, provided the Company has obtained e-mail addresses of its Members for sending Notices/ Documents through e-mail by giving an advance opportunity to every Shareholder to register their e-mail addresses with the Company. Clause 32 of the Listing Agreement of the Stock Exchanges also permits a company to send soft copies of full Annual Reports, Balance Sheet, Statement of Profit and Loss and Directors’ Report to all Shareholders who have registered their e-mail addresses for the purpose.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions as set out in the Special Resolution under Item No. to give effect to the above Circulars of MCA.

In terms of section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days (except Saturdays, Sundays and Public Holidays).

The Directors recommend the passing of the Resolution at Item No. 7 as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this item of business.

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Item No. 8:

As per Section 163(1) of the Companies Act, 1956, approval of Members is required to keep Company's Registers and copies of Annual Returns prepared under section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 (hereinafter collectively referred to as "the aforesaid Records") at a place other than the Registered Office of the Company. Accordingly, the approval of the Members is sought by a Special Resolution for any one or more of aforesaid Records to be kept at the aforesaid Premises of the R&T Agents and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered Office of the Company at D-133, Shri Ghantakarna Mahaveer Market, Near New Cloth Market, Sarangpur J.R., Ahmedabad - 380 009.

The Directors recommend the passing of the Resolution at Item No. 8 as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this item of business.

Item No. 9:

The Board of Directors has re-appointed Mr. Dhaval Solnki as Managing Director ("MD") of the Company with effect from 28th November, 2011. Mr. Solnki, a commerce graduate, young and dynamic personality, possesses exceptional zeal for putting the Company into one of the big brand in construction and jewellery business besides the chemical business. Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Solnki are as follows:

1. He shall control and manage the affairs of the Company, subject to superintendence, control and directions of the Board of Directors of the Company.
2. Remuneration : in view of the financial positions of the Company, no remuneration is proposed to be paid to Mr .Dhaval Solnki as MD of the Company for a period of 3 years with effect from 28th November, 2011.
3. However, he shall be entitled to reimbursement of out of pocket expenses including travelling expenses actually and properly incurred by him for the business of the company. The Director will also be entitled to expenses incurred for meeting business expenditure on behalf of the Company.

The proposed resolution is required to be passed as a Special Resolution as required under the applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of the annual general meeting.

The Board therefore recommends this resolution as Special Resolution for your approval.

None of the directors of the Company, except Mr. Dhaval Solnki himself, is interested or concerned in passing of the proposed resolution.

Registered Office:

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

Date: 14.08.2012

For and Behalf of the Board

Managing Director

SUNITEE CHEMICALS LIMITED

Directors' Report

To the members,

Your Directors have pleasure in presenting the Twentieth Annual Report and Audited Accounts for the financial year ended 31st March, 2012:

Financial results

(Rs in lacs)

Particulars	2011-2012	2010-2011
Total Income	97.16	37.32
Total expenditure	95.71	35.99
Operating profit (PBIDT)	1.45	1.33
Depreciation	0.26	0.26
Profit before Taxation	1.19	1.06
Provision for Tax	0.41	0.37
Add: Deferred Tax Liability Reversal	(0.02)	(0.05)
Profit after Taxation	0.80	0.75
Add Balance brought forward from previous year	(5.82)	(6.57)
Amount available for appropriation	(5.02)	(5.82)
Appropriation: To General Reserve	Nil	Nil
Balance carried to Balance Sheet	(5.02)	(5.82)

Dividend

In the absence of sufficient profits, your Directors regret their inability to recommend any Dividend for the year 2011-12.

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.

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.