

# **SUNITEE CHEMICALS LIMITED**

**21<sup>ST</sup>  
ANNUAL REPORT  
2012-2013**

# **SUNITEE CHEMICALS LIMITED**

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## **BOARD OF DIRECTORS**

Shri Dhaval Solanki	Managing Director
Smt. Preeti Patadia	Director
Shri Vipin Chandra Shivhare	Director
Shri Madan Das	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 - 425 001.

## **LISTING**

### **AHMEDABAD**

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

### **MUMBAI**

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

## **REGISTRAR & SHARE TRANSFER AGENTS:**

Purva Sharegistry (India) Pvt. Ltd.  
No. 9, Shiv Shakti Ind. Estate,  
J. R. Boricha Marg,  
Lower Parel (East), Mumbai – 400 011.

## **REGISTERED OFFICE ADDRESS:**

D-133, Shri Ghantakarna Mahavir Market,  
Near New Cloth Market, Sarangpur  
Ahmedabad – 380 002, Gujarat.

## **SUNITEE CHEMICALS LIMITED**

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### **NOTICE**

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**NOTICE** is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Members of **SUNITEE CHEMICALS LIMITED** will be held on Monday, September 30, 2013 at 10.30 a.m. at the registered office of the Company at D-133, Shri Ghantakarna Mahavir Market, Near New Cloth Market, Sarangpur, Ahmedabad – 380 002, Gujarat to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013 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 Mrs. Preeti Khimjibhai Patadia, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in Place of Mr. Madan Das, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint S.N.Gadia & Company as 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.

**Registered Office:**  
**D-133, Shri Ghantakarna Mahaveer Market,**  
**Near New Cloth Market,**  
**Sarangpur, Ahmedabad, Gujarat**  
**Date: August 14, 2013**

**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 **September 26, 2013 to September 30, 2013** (inclusive both days).
3. Members are requested to intimate to the Company, quoting Registered Folio number, change in their address, if any, with the Pin code number.

## **SUNITEE CHEMICALS LIMITED**

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4. 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.
5. 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.
6. 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: August 14, 2013**

**For and Behalf of the Board**

**Managing Director**

### **PROFILE OF DIRECTORS' SEEKING RE-APPOINTMENT**

Mrs. Preeti Khimjibhai Patadia has rich experience in the field of general business and financial management. Therefore, her-appointment would be in the interest of the Company.

Mr. Madan Das is an Independent Director and has very good experience in the field of construction and chemical and therefore his expertise would be very useful for the business of the Company.

## SUNITEE CHEMICALS LIMITED

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### Directors' Report

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To the Members,

Your Directors have pleasure in presenting the Twenty First Annual Report and Audited Accounts for the financial year ended March 31, 2013:

#### Financial results

(Rs in lacs)

Particulars	2012-2013	2011-2012
Total Income	99.66	97.16
Total expenditure	98.37	95.71
<b>Operating profit (PBIDT)</b>	<b>1.29</b>	<b>1.45</b>
Depreciation	0.25	0.25
<b>Profit before Taxation</b>	<b>1.04</b>	<b>1.20</b>
Provision for Tax	0.37	0.41
Add: Deferred Tax Liability Reversal	(0.01)	(0.02)
<b>Profit after Taxation</b>	<b>0.68</b>	<b>0.81</b>
Add Balance brought forward from previous year	Nil	Nil
Amount available for appropriation	0.68	0.81
Appropriation: To General Reserve	Nil	Nil
<b>Balance carried to Balance Sheet</b>	<b>0.68</b>	<b>0.81</b>

#### Dividend

In the absence of sufficient profits, your Directors regret their inability to recommend any Dividend for the year 2012-13.

#### 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.

## **SUNITEE CHEMICALS LIMITED**

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### **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**

Mrs. Preeti Khimjibhai Patadia and Mr. Madan Das will retire at the forthcoming Annual General Meeting and being eligible, have offered 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, retires at the conclusion of the forthcoming Annual General Meeting of the Company and is eligible for re-appointment.

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;

## **SUNITEE CHEMICALS LIMITED**

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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: August 14, 2013**

**Managing Director**

**Director**

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### 1. Industrial Structure and Developments

During the financial year 2012-2013 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, Risk 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.
- 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.

## SUNITEE CHEMICALS LIMITED

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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 2012-2013 is 99.66 Lacs (Previous Year Rs. 97.16 Lacs). The top-line has enhanced slightly however due to adverse market conditions though the Company achieved a Net Profit before tax of Rs. 1.04 Lacs as compared to Previous Year's Rs. 1.19 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.

### **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.**

# SUNITEE CHEMICALS LIMITED

## 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, 4 Board Meetings were held on May 30, 2012, August 14, 2012, November 9, 2012, and February 14, 2013. 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 2012-13 Attendance at		No. of other Directorships	Other Committee Positions	
		Board Meetings	Last AGM		Member	Chairman
Mr. Vipin Chand Shivhare	Director	4	Yes	1	1	Nil
Mrs. Preeti KhimjibhaiPatadia	Director	3	Yes	1	Nil	2
^Mr. Dhaval Solanki	Managing Director	4	Yes	1	1	1
Mr. Madan Das	Director	3	NA	1	Nil	Nil

<sup>^</sup> Re-appointed as Managing Director of the Company w.e.f. November 28, 2011 for a period of 3 years.