

SUNRISE INDUSTRIAL TRADERS LIMITED

ANNUAL REPORT AND ACCOUNTS

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2005 – 2006

THIRTYFOURTH ANNUAL REPORT AND ACCOUNTS

2005 - 2006

BOARD OF DIRECTORS:

Shri B. R. Raheja	Chairman
Shri B. J. Sheth	Independent Director
Smt. P. B. Raheja	Director
Shri S. B. Raheja	Director
Shri D. B. Raheja	Director
Smt. Nita J. Desai	Independent Director

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BANKERS:

Bank of India
Stock Exchange Branch,
Dalal Street, Fort,
Mumbai - 400 023

AUDITORS:

R. A. RAJANI & Co.
Chartered Accountants.
9, Ashiana, 31st Road,
Bandra,
Mumbai - 400 050

REGISTERED OFFICE:

503, Commerce House,
140, Nagindas Master Road,
Mumbai - 400 023

SUNRISE INDUSTRIAL TRADERS LIMITED**NOTICE**

NOTICE is hereby given that the Thirty Fourth Annual General Meeting Of Sunrise Industrial Traders Limited, will be held on Saturday, the 19th August, 2006 at 5.00 p.m. at the Registered Office of the Company at 503, Commerce House, 140 Nagindas Master Road, Fort, Mumbai - 400 023, to transact the following business as:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the financial year ended on 31st March 2006.
2. To appoint a Director in place of Mr. B. R. Raheja and Mrs. P. B. Raheja who retires by rotation and being eligible offers themselves for re-appointment.
3. To appoint the Auditors to hold the office from the conclusion of this General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To pass, with or without, modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT Mrs. Nita Jayesh Desai who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office of the directorship of the Company till the date of this Annual General Meeting of the Members of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board

MUMBAI.

Dated: 19/06/2006

B. R. RAHEJA
Chairman

- Notes: 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company. Proxy in order to be effective must be lodged with the company not less than 48 hours before the meeting.
2. The Register of Members and the Register of Share Transfer shall remain closed from Friday, 11th August, 2006 to Saturday 19th August, 2006 (both days inclusive).
 3. The explanatory statement pursuant to section 173 for Item No.4 is as under :

ITEM NO. 4 – APPOINTMENT OF MRS. NITA JAYESH DESAI AS DIRECTOR :

The Board of Directors of the Company at their meeting held on 28th December, 2005, has appointed Mrs. Nita Jayesh Desai as an Additional Director of the Company. Mrs. Desai has proposed her candidature for the appointment as a Director of the Company alongwith a deposit of Rs.500/- as required under section 257 of the Companies Act, 1956. Mrs. Nita J. Desai is B. Com. and Chartered Accountants and she has been in stock market for last 5 years. The Board of Directors are of opine that knowledge and experience of Mrs. Neeta J. Desai will be of immense value to the Board in its deliberation and decisions. In view of the same, the Board recommends the resolution at No. 4 for your approval.

None of the Directors except Mrs. Nita Jayesh Desai, are deemed to be considered or interested in the above resolution.

Mumbai,
Date : 19/06/2006

B. R. RAHEJA
Chairman

DIRECTORS' REPORT

The Directors have pleasure in submitting the Thirty Fourth Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 2006.

FINANCIAL RESULTS:

The operations of the company after providing depreciation have resulted into Net Profit After Taxation of Rs. 1,28,63,393/- during the year under report (Previous Year: Net Profit After Taxation of Rs. 1,486,87,630/-)

DIVIDEND

In order to conserve resources the directors have not recommended any dividend for the year ended 31-03-2006.

DIRECTORS

Mr. B. R. Raheja & Mrs. P. B. Raheja, Directors retires by rotation and eligible, offered themselves for re-appointment. The Board recommends their re-appointment.

The Board of Directors of the Company at their meeting held on 28th December, 2005 has appointed Mrs. Nita Jayesh Desai as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956. She holds office of the directorship of the Company upto the date of the ensuing Annual General Meeting of the Members of the Company. Mrs. Desai has given her consent to acts as director of the Company alongwith a deposit of Rs.500/- as required under section 257 of the Companies Act, 1956. Mrs. Desai is B. Com. and Chartered Accountants and she has been in stock market for last 5 years. The Board of Directors are of opine that knowledge and experience of Mrs. Desai will be of immense value to the Board in its deliberation and decisions. The Board recommends the resolution for approval.

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed,
- appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2005 and of its profit for the year ended on that date,
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES:

No employee was paid remuneration in excess of the limit laid down in Section 217(2A) of the Companies Act, 1956 and hence the information as required under the section is NIL.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

As the Company is not a Manufacturing Company, the information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is not applicable. There was no foreign exchange earning and outgo during the year under report.

SECRETARIAL COMPLIANCE CERTIFICATE:

In compliance of provision of section 383A(1) of the Companies Act, 1956, the company has obtained a compliance certificate from a practicing Company Secretary for the year ended 31-03-2006.

AUDITORS:

You are requested to appoint the Auditors from the conclusion of this General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. M/s R. A. Rajani & Co., have furnished certificate under Section 224(1-B) of the Companies Act, 1956 of their eligibility for the appointment.

REPORT ON CORPORATE GOVERNANCE:

A report on corporate governance is set out for the information of the shareholders.

For and on behalf of the Board

Mumbai, 19/06/2006

B. R. RAHEJA
Chairman

SUNRISE INDUSTRIAL TRADERS LIMITED**REPORT ON CORPORATE GOVERNANCE**

Sunrise Industrial Traders Limited (SITL) seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

Board of Directors:

As on 31st March, 2006, the Board of Directors of the Company comprised of 6 members, the details of which are as under:

Name	Category of Directors	No of outside Directorships held	As chairman/ member of Board committees
Mr. Baldevdas R. Raheja	Chairman & Non-Executive Director	1	NIL
Mrs. Pushpa B. Raheja	Non-Executive Director	NIL	NIL
Mr. Suresh B. Raheja	Non-Executive Director	NIL	NIL
Mr. Dhanesh B. Raheja	Non-Executive Director	1	NIL
Mr. Bhupatlal J. Sheth	Independent & Non-Executive Director	NIL	NIL
Mrs. Nita J. Desai	Independent & Non-Executive Director	NIL	NIL

Note: (1) Private Limited Companies, Foreign Companies and Companies constituted under Section 25 of the Companies Act, 1956 are excluded for the above purpose. (2) Only Audit Committee, Investors' Grievance Committee and Remuneration Committee are considered for the purpose of Committee positions as per Listing Agreement.

Responsibilities:

The Board of Directors represents the interests of the company's shareholders in optimising long-term value by providing the management with guidance and strategic direction on behalf of the shareholders. The Board's mandate is to oversee the Corporation's strategic decision, review corporate performance, authorise and monitor strategic investments, ensure regulatory compliance and safeguard shareholder interest. These Board members ensure that their other responsibilities do not impinge on their responsibility as Directors of SITL.

Board Meetings:

The meetings of the Board of Directors, held in Mumbai, are scheduled well in advance and the notice is given in writing to each Director well in advance. The members of the Board enjoys a complete access to all information of the company.

During the financial year 2005-2006, the Board of SITL met on 6 (Six) occasions on 30-04-2005, 07-05-2005, 30-07-2005, 29-10-2005, 28-12-2005 and 30-01-2006. The attendance record of each Director at the Board meetings and the last Annual General Meeting is given below:

Name	Board meetings		Attendance at last AGM
	Held	Attended	
Mr. Baldevdas R. Raheja	6	6	Yes
Mrs. Pushpa B. Raheja	6	NIL	No
Mr. Suresh B. Raheja	6	6	Yes
Mr. Dhanesh B. Raheja	6	6	Yes
Mr. Bhupatlal J. Sheth	6	6	Yes
Mrs. Nita J. Desai	6	1 (*)	Not applicable

* Appointed as an Additional Director w.e.f. 28th December, 2005

Board Committees:

To facilitate focused attention, the Board delegates specific matters to committees set up for the purpose. These committees prepare the groundwork for decision-making and report it at the subsequent Board meeting.

Audit Committee:

The Audit Committee comprises of Mr. Bhupatlal J. Sheth (as Chairman), Mrs. Nita Jayesh Desai and Mr. Dhanesh B. Raheja are members. These members possess a sound knowledge of financial, accounting, audit and company law.

The functions of the Audit Committee include reviews, acts and reports to the Board of Directors with respect to:

- Various auditing and accounting matters,
- Review of annual budgets,
- Annual internal audit plan,
- Compliance with legal and statutory requirements including accounting standards,
- Review of investment guidelines, and
- Major accounting policies and practices.

The Audit Committee reviews the quarterly, half-yearly and yearly financial results with the management before submitting it to the Board for its consideration and approval.

The Audit Committee met 2 (two) times during the year on 28-12-2005 and 30-01-2006. Mr. Bhupatlal J. Sheth acted as the Chairman of the Audit Committee.

Name	Audit Committee meetings	
	Held	Attended
Mr Bhupatlal J. Sheth	2	2
Mrs. Nita Jayesh Desai	2	2
Mr. Dhanesh B. Raheja	2	2

Remuneration Committee:

The Company has not yet set-up the Remuneration Committee, as the none of the Directors are drawing any remuneration except sitting fees for attending board meetings.

Remuneration to Directors:

All the Directors of the Company have received remuneration by way of sitting fees for attending board meetings, the details of which are under:

Director	Relation with SITL	Remuneration paid during the year 2005-2006			
		Sitting Fees	Salary & Perquisites	Commission	Total
Mr. Baldevdas R. Raheja	Non-Executive Chairman & Promoter	1,250	NIL	NIL	1,250
Mrs. Pushpa B. Raheja	Non Executive Director & Promoter	NIL	NIL	NIL	NIL
Mr. Suresh B. Raheja	Non Executive Director	1,250	NIL	NIL	1,250
Mr. Dhanesh B. Raheja	Non Executive Director	1,250	NIL	NIL	1,250
Mr. Bhupatlal J. Sheth	Independent & Non Executive Director	1,250	NIL	NIL	1,250
Mrs. Nita J. Desai	Independent & Non Executive Director	250	NIL	NIL	250

Shareholders/Investors' Grievances Committee:

The Shareholders/Investors' Grievance Committee comprises of Mr. Bhupatlal J. Sheth (as Chairman) and Mrs. Nita J. Desai and Mr. Dhanesh B. Raheja as members. This committee is authorised to approve the transfer of shares and monitors other investor grievances. The details of the transfers are reported to the Board of Directors.

Name	Share Transfer Committee meetings	
	Held	Attended
Mr Bhupatlal J. Sheth	2	2
Mrs. Nita J. Desai	2	2
Mr. Dhanesh B. Raheja	2	2

Annual General Meetings:

The Annual General Meeting (AGM) of the Company will be held on Saturday, the 19th August, 2006 at 5.00 p.m. at 503, Commerce House, 140, Nagindas Master Road, Fort, Mumbai - 400 023. The last three AGMs were held at the same location at the same time on 27th September, 2003 and 21st August, 2004 and 18th June, 2005. One special resolution under section 31 of the Companies Act, 1956 was passed for insertion of Article 6(a) of the Articles of Association of the Company with requisite majority at the AGM held on 27th September, 2003.

Disclosures:

No transaction of a material nature transpired between the company and its promoters, Directors, management or their relatives that could have represented a potential conflict with the interest of the company. The register of contracts containing the transactions in which the Directors are interested was placed regularly before the Board. There were no pecuniary transactions with the independent / non-executive Directors, other than the payment of remuneration.

CEO/CFO Certification:

The Non-Executive Chairman and Non-Executive Director have certified to the Board that :

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs as on 31st March, 2006 and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company and have reported to the auditors and the Audit Committee, that they are not aware of any deficiencies in the design or operation of such internal controls. In the event such deficiencies do arise, the same shall be reported to the auditors and the Audit Committee forthwith.
- d) They have indicated to the auditors and the Audit committee that there have been -
 - (i) no changes in internal control during the year;
 - (ii) no changes in accounting policies during the year; and
 - (iii) no instances of significant fraud of which they have become aware and or the involvement therein of any of the management or an employee of the Company.

The Non-Executive Chairman has given a declaration to the effect that all Board Members have confirmed compliance with code of conduct during the year ended 31st March, 2006.

Means of communication:

The quarterly unaudited financial results are generally published in the Free Press Journal and Nav Shakti, a vernacular newspaper in the fortnight of July, October, January and April each year. All material information about the company was sent through facsimile to the stock exchange where the company's shares are listed and released for dissemination to the public at large.

General shareholders' information:

Registered Office (address for correspondence)	503, Commerce House, 140, Nagindas Master Road, Fort, Mumbai - 400 023 Tel. No.2267 2847
Annual General Meeting	Saturday, the 19 th August, 2006 at 5.00 p.m. at the Registered office
Financial year	31 st March each year
Book closure	Friday, 11 th August, 2006 to Saturday, 19 th August, 2006 (Both days inclusive)
Dividend payment date	Not Applicable
Stock Exchanges where the Company's share are listed	Bombay Stock Exchange Limited Annual listing fees for the year 2006-07 has been paid to the Bombay Stock Exchanges Limited.
Stock code at BSE	501110
Demat ISIN Numbers for Equity Shares	Not obtained. All the shares of SITL are held in physical mode