



SYNTHIKO FOILS LIMITED

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**20TH
ANNUAL REPORT
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SYNTHIKO FOILS LIMITED

BOARD OF DIRECTORS

Mr. RAMESH DADHIA : CHAIRMAN & EXECUTIVE DIRECTOR
Mr. YOGESH DADHIA : WHOLE TIME DIRECTOR
Mr. BHAVESH DADHIA : WHOLE TIME DIRECTOR

AUDITORS :

M/s. Arvind & Co.
Chartered Accountants,
Mumbai.

BANKERS :

STATE BANK OF INDIA
VILE-PARLE (E)

CORPORATION BANK
VILE-PARLE (E)

BASSEIN CATHOLIC CO-OP. BANK LTD.
BHAYANDER (W)

STATE BANK OF INDIA
JAWAHAR

JAWAHAR URBAN CO-OP. BANK LTD.
JAWAHAR

REGISTERED OFFICE & WORKS :

P. B. NO. 22,
JAMSAR ROAD,
JAWHAR - 401 603,
DIST. THANE.

SHARES LISTED AT :

The Stock Exchange - Mumbai



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 20th ANNUAL GENERAL MEETING OF THE MEMBERS OF SYNTHIKO FOILS LIMITED WILL BE HELD ON FRIDAY THE 30TH SEPTEMBER, 2005 AT 11.00 A.M. AT REGISTERED OFFICE OF THE COMPANY TO TRANSACT THE FOLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2005 along with notes and schedules thereon as on that date.
2. To Re-appoint Auditors of the Company and to fix remuneration.

ON BEHALF OF THE BOARD
SYNTHIKO FOILS LIMITED

Place: Mumbai
Dated: 30th June, 2005.

Sd/-
RAMESH DADHIA
(DIRECTOR)

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Register shall remain closed from Friday the 23rd September, 2005 to Friday the 30th September, 2005 (both days inclusive)
4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
5. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
6. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidation their holdings in one folio.



DIRECTOR'S REPORT

To,
The Members,
M/s. Synthiko Foils Ltd.,
Jawhar.

Your Directors have pleasure in presenting their 20th Annual Report for the year ended 31st March, 2005.

1. FINANCIAL RESULTS:

(Amt. In Rs.)

PARTICULARS	Year ended 2005	Year ended 2004
Total Income	1,88,37,695	1,34,96,944.39
Add/Less: Depreciation (Net)	6,26,903.00	6,07,895.00
Profit/(Loss) before Taxation	5,33,848.51	67,579.77
Less: Provision for Taxation Income Tax	0.00	7,500.00
Deferred Tax	(14,183.00)	(18,953.00)
Add: Prior year Adjustments	Nil	Nil
Net Profit/(Loss) transferred to Balance Sheet	Nil	Nil
Balance Brought forward from previous year	(24,41,989.76)	(23,37,439.53)
Balance carried forward to Balance Sheet	(20,38,691.25)	(22,96,312.76)

2. DIVIDEND:

In view of insufficient profit earned during the year, no dividend is recommended.

3. FIXED DEPOSITS:

Our company has not accepted any deposits from the public.

4. DIRECTORS:

During the year there is no changes among the Directorship of the Company.

5. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2A) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- i) In the preparation of Annual Accounts for the Financial year ended 31st March, 2005 the applicable Accounting Standards have been followed.



- ii) Appropriate Accounting policies have been selected and applied consistently and have 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 as on 31st March, 2005 and loss of the Company for the year ended on that date.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.

6. AUDITORS:

M/s. Arvind & Company, Chartered Accountants, Mumbai will cease to hold their office at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

7. PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 regarding particulars of employees is not given since the company did not have any employee drawing remuneration in excess of the limits prescribed by the said section.

8. SUBSIDIARIES:

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 is not applicable.

9. COMPLIANCE CERTIFICATE:

As required under provision of Sub-Section (1) of section 383A of the Companies Act, the Board appointed M/s. H. Shetye Associates, Company Secretaries to carry out the examination of records and issue the Compliance Certificate as required under Companies (Compliance Certificate) Rules 2001. Copy of the Certificate is attached.

10. CORPORATE GOVERNANCE CODE:

The Board had implemented Corporate Governance Code in pursuance of clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report.

11. LISTING :

Company's shares were listed at Mumbai Stock Exchange however the trading in the shares were suspended w.e.f. 18th February, 2002 due to non compliances of certain clauses of listing agreement. The company is in the process of complying the same and revoking the suspension.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

During the year the company had consumed 42470 No. of units of Rs.4.25 each aggregating to Rs.1,80,497.00. Previous year the company had consumed 33,873 No. of units of Rs.3.84 each aggregating to Rs.1,30,069.25.

Also, the company had consumed fuel [LDO] consumed 24368 No. of units of Rs.18.85 each aggregating to Rs.4,59,461.00



Total Foreign Exchange spent by the Company is Rs.Nil. Total Foreign Exchange earned by the company is Rs.20,40,030/-.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciations of the whole-hearted co-operation received from the Banks and various government Authorities and Company's staff and workers.

**ON BEHALF OF THE BOARD
FOR SYNTHIKO FOILS LIMITED**

PLACE: Mumbai

DATED: 30th June, 2005

**Sd/-
RAMESH DADHIA
(CHAIRMAN CUM EXECUTIVE DIRECTOR)**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The Industry is showing some improvement & your Directors are expecting better Industrial Development in the coming years.

B) SEGMENTWISE PERFORMANCE:

The company is in the business of manufacturing foils & as such that is the only segment company is having.

C) OPPORTUNITIES / OUTLOOK:

The company is taking maximum efforts to capitalize on business opportunities & further expect a better outlook in the coming years. The company is in the process of setting a manufacturing unit in Himachal Pradesh. The land is finalized and sale deed is expected to be executed in April, 2005. Due to Several benefits available in Himachal Pradesh, your Directors are optimistic about future financials of the Company.

D) THREATS:

The major threats for the company are competition from unorganized sectors & the Govt. Policies.

E) RISKS AND CONCERNS:

Your company is taking adequate measures to safeguard against Risks & Concerns.

F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has been maintaining an adequate internal control system commensurate with the size & nature of its business.

G) HUMAN RESOURCES POLICIES:

Your company considers its human resources as its most valuable assets, among all other assets of the Company. It has been the policy of the company to actuate the talent by providing opportunities to develop themselves within the organization. The company continued to have maintained a very cordial & harmonious relations with its employees.

H) CAUTIONARY STATEMENT:

Due to unfavorable market conditions your company is facing profitability problems however, your management are making optimum efforts to minimize the overheads & cost reduction.



CORPORATE GOVERNANCE REPORT

1. Company's philosophy:

The Corporate Governance code as introduced by Security and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement is became applicable to the company by March, 2003. The same has been implemented by the company.

The company believes in maximum utilization of resources at minimum cost and attaining maximum long term shareholders value. The company has also consistently followed good Corporate policy and enhanced its value in the eyes of shareholders, Bankers, Customers and Employees.

2. Board of Directors:

The Board of the Company comprises of (3)three Executive Directors: There are no nominee or Institutional Directors in the Company. The Board is in the process of appointing 3(three) Independent Non Executive Directors.

None of Directors has pecuniary or Business relationship with the Company except elsewhere mentioned in this annual report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total 9 (Nine) Board Meetings were held i.e. on 30/04/2004, 31/07/2004, 18/08/2004, 30/08/2004, 27/09/2004, 30/10/2004, 01/11/2004, 29/01/2005 & 28/03/2005 The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Sr. No.	Name of Director	Category	No. of meetings Attended	Attendance at Last AGM	No. of Other Directorship	No. Of Other Committee membership in other Companies
1.	Mr. Ramesh Dadhia	Chairman & Ex. Director	9	Yes	Nil	Nil
2.	Mr. Bhavesh Dadhia	Whole Time Director	9	Yes	Nil	Nil
3.	Mr. Yogesh Dadhia	Whole Time Director	9	Yes	Nil	Nil

Since No Directors were re-appointed in the year, no details are given as such.

3. Committees of the Board:

a. Audit Committee

Pursuant to the provisions of section 292(A) of The Companies Act, 1956 & clause 49 of Listing Agreement, an Audit Committee comprising of 3 Non Ex. Independent Directors is required to be formed. However the said committee is not yet formed. The board is in the process of forming the said committee.

b. Remuneration Committee

The Stock Exchange Listing Agreement stipulates that the Remuneration Committee should comprise of at least three Non Ex. Independent Directors. The board is in the process of forming the said committee.

Details of remuneration paid to Directors for the year ended 31st March, 2005.

Executive Directors				(Amt. In Rupees)
Name	Salary	Commission	Perquisites	Retirement Benefits
Mr. Ramesh Dadhia, Ex. Director	Rs.1,02,000/-	N.A.	N.A.	N.A.
Mr. Bhavesh Dadhia, Whole Time Director	Rs.1,02,000/-	N.A.	N.A.	N.A.
Mr. Yogesh Dadhia, Whole Time Director	Rs.1,02,000/-	N.A.	N.A.	N.A.

During the year the Non-Ex. Director was not paid any sitting fees. Apart from whatever remuneration as disclosed above, the Directors were not paid any other benefits such as stock options, pension, performance link incentives, severance fees etc.

- c. Shareholders/Investors Grievance Committee : The board is in the process of forming the said committee. The company received 6 (six) complaints from the shareholders during the year, which were totally resolved. Further, during the year, No requests for transfer of in physical form were received and processed for transfer.

1. General Body Meetings:

Details of last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2001-02	30/09/02	11.00 a.m.	Regd. Office	N. A.
2002-03	30/09/03	11.00 a.m.	Regd. Office	N. A.
2003-04	30/09/04	11.00 a.m.	Regd. Office	N. A.

All these meetings were Adjourned as Accounts for the respective years were not ready However the Annual General Meeting for the year ended 31st March, 2004 was held in time. The adjourned Annual General meetings for the year 2002 & 2003 were held as mentioned below.

Financial Year	Date of adjourned Annual General Meeting	Time	Venue	Special Resolution(s)
2001-02	29/09/04	3.00 p.m.	Regd. Office	N. A.
2002-03	29/09/04	4.00 p.m.	Regd. Office	N. A.

No special resolutions were put through postal ballot as all the above special resolutions were voted unanimously by show of hands.

2. Disclosures:

During the year under review, besides the transactions reported elsewhere in this Annual Report, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

During the year, a show cause Notice dt. 10th September, 2004 No. CFD/DCR/RC/TO/13060/04 from SEBI for violation of Take over Regulation was received by the Company and suitable reply was given vide letter dt. 11th October, 2004.



SEBI also passed an order dated 21/09/04 under regulation 11 of (Prohibition of fraudulent and unfair Trade Practices relating to securities market) Regulation 2003 with section 11B of the SEBI Act, 1992 against Mr. Bhavesh Dhadia and Mr. Ramesh Dhadia, Directors for debarring them from buying, selling, or dealing in securities for the period of 18 months w.e.f. 23rd September, 2004 vide order No. MO/84/IVD/09/04, apart from this there were no instances of Non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

3. Means of Communication:

During the year the Unaudited financial results for all the 4(four) quarters were not submitted to the Stock Exchange.

No presentation was made during the year either Institutional Investors or to the analysts.

Management discussion & Analysis Report is attached herewith forming part of the Annual Report.

4. General Shareholders Information:

i. The 20th Annual General Meeting will be held on Friday the 30th September, 2005 at 11.00 a.m. at Regd. Office of the Company.

ii. The Financial year of the company is from April to March.

The financial calendar is as per following.

First quarter results (30 th June)	End of June
Mailing of Annual Reports	1 st week of September.
Annual General Meeting	30 th September, 2005.
Payment of Dividend	N.A.
Second quarter results (30 th September)	End of October
Third quarter results (31 st December)	End of January
Fourth quarter / Annual Results	End of April

iii. Book Closure dates will be from Friday the 23rd September, 2005 to Friday the 30th September, 2005 (both days inclusive).

iv. The Board of Directors have not proposed any dividend for the current financial year.

v. Company's shares were listed at Mumbai Stock Exchange however the trading in the shares were suspended w.e.f. 18th February, 2002 due to non compliances of certain clauses of listing agreement. The company is in the process of complying the same and revoking the suspension, However the listing fees for the year 2005 – 06 for the Mumbai Stock Exchange has been paid.

vi. Stock Code

The Stock Exchange, Mumbai

Security in Physical Form No. BSE-513307

Electronic Form No. – Company's all shares are in physical mode.

Scrip Name: SYNTHIKO