



SYNTHIKO FOILS LIMITED



21st
ANNUAL REPORT
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BOARD OF DIRECTORS

MR. RAMESH DADHIA	:	CHAIRMAN & EXECUTIVE DIRECTOR
MR. YOGESH DADHIA	:	WHOLE TIME DIRECTOR (upto 31 st December, 2005.)
MR. BHAVESH DADHIA	:	WHOLE TIME DIRECTOR
MR. SUNIL KUMAR BANG	:	INDEPENDENT NON EXECUTIVE DIRECTOR (w.e.f.1 st August, 2005).
MR. DILIP D. PUNJABI	:	INDEPENDENT NON EXECUTIVE DIRECTOR (w.e.f.1 st August, 2005).

AUDITORS:

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

Bankers:

STATE BANK OF INDIA
VILEPARLE (E)

CORPORATION BANK
VILEPARLE (E)

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

STATE BANK OF INDIA
JAWAHAR

JAWHAR URBAN CO. OP. BANK LTD
JAWAHAR

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REGISTERED OFFICE & WORKS:

P. B. NO.22,
JAMSAR ROAD,
JAWHAR – 401 603,
Dist. Thane.

SHARES LISTED AT:

The Stock Exchange – Mumbai.

21st ANNUAL GENERAL MEETING

Date : 30th September, 2006

Day : Saturday.

Time : 11.00 a.m.

Place : P. B. No.22, Jamsar Road,
Jawhar – 401 603, Dist. Thane.



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE MEMBERS OF SYNTHIKO FOILS LIMITED WILL BE HELD ON **SATURDAY THE 30TH SEPTEMBER, 2006 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 2006** along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhavesh Dadhia who retires by rotation & being eligible offers himself for re-appointment.
3. To Re-appoint Auditors of the Company and to fix remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution.
“RESOVLED THAT Mr. Sunil Kumar Bang, who was appointed as an additional Director w.e.f. **1st August, 2005** and who holds office upto the date of the 21st Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director.”
5. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution.
“RESOVLED THAT Mr. Dilip D. Punjabi, who was appointed as an additional Director w.e.f. **1st August, 2005** and who holds office upto the date of the 21st Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director.”

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

Place: Mumbai

Dated: 29th August, 2006.

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 Saturday the **23rd September, 2006 to Saturday the 30th September, 2006** (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.



EXPLANATORY STATEMENT

As required by section 173(2) of the Companies Act, 1956

Item No.4:

Mr. Sunil Kumar Bang, who was appointed as an additional Director w.e.f. 1st August, 2005 under section 260 of the Companies Act, 1956. The said Directors will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of **Mr. Sunil Kumar Bang** for the office of the Director under section 257 of the Companies Act, 1956.

1	Name of the director	Mr. Sunil Kumar Bang
2	Age	31
3	Qualification	B.com, ACA, ACS.
4	Experience	10 years of corporate experience in the filed on taxation, Audit project finance and corporate law.
5	Number of directorship in other companies	Nil

Mr. Sunil Kumar Bang is not having any shareholding in the Company.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors are concerned or interested in the said Resolution except **Mr. Sunil Kumar Bang**.

Item No. 5

Mr. Dilip D. Punjabi, who was appointed as an additional Director w.e.f. 1st August, 2005 under section 260 of the Companies Act, 1956. The said Directors will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of **Mr. Dilip D. Punjabi** for the office of the Director under section 257 of the Companies Act, 1956.

1	Name of the director	Mr. Dilip D. Punjabi
2	Age	57
3	Qualification	B.com
4	Experience	Experience of 30 year at corporate level in the filed of management and logistics.
5	Number of directorship in other companies	Nil

Mr. Dilip D. Punjabi is not having any shareholding in the Company.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors are concerned or interested in the said Resolution except **Mr. Dilip D. Punjabi**.

ON BEHALF OF THE BOARD
SYNTHIKO FOILS LIMITED

Place: Mumbai

Dated: 29th August, 2006.

Sd/-

RAMESH DADHIA
(DIRECTOR)



DIRECTORS'S REPORT

To,
The Members,
Synthiko Foils Ltd.,
Jawhar.

Your Directors have pleasure in presenting their **21st Annual Report** for the year ended **31st March, 2006**.

1. FINANCIAL RESULTS:

(Amt. In Rs.)

PARTICULARS	Year ended 2006	Year ended 2005
Total Income	2,88,79,356	1,88,37,695
Add/Less: Depreciation (Net)	6,50,120	6,26,903
Profit/(Loss) before Taxation	8,24,917	5,33,849
Less: Provision for Taxation		
Income Tax	2,60,000	0.00
Provision for Fringe Benefit Tax	80,000	0.00
Deferred Tax Liability	(2,39,668)	(14,183)
Add: Prior year Adjustments	Nil	Nil
Net Profit/(Loss) for the year after taxes	7,24,585	5,19,666
Balance Brought forward from previous year	(20,38,691)	(24,41,990)
Balance carried forward to Balance Sheet	(13,14,106)	(20,38,691)

2. DIVIDEND:

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

3. FIXED DEPOSITS:

Your company has not accepted any deposits from the public.

4. DIRECTORS:

During the year Mr. Bhavesh Dadhia, Director, who is retiring by rotation but being eligible offer himself for re-appointment.

Mr. Sunil Kumar Bang and Mr. Dilip Punjabi were appointed as additional Directors w.e.f. 1st August, 2005. You are requested to reappoint them in the fourth coming Annual General Meeting.

Mr. Yogesh Dadhia is resigned from the Board w.e.f. 31st December, 2005.

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, 2006** 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, 2006 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:

Since the paid up capital of the Company is less than Rs.3,00,00,000/- the Corporate Governance code is not mandatory to the Company however the Board adopted the same as a good corporate practice.

The Board is also in the process of complying with the remaining provisions of the corporate governance.

The report on Corporate Governance by M/s H. Shetye Associates, Company Secretaries 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 complied with the necessary compliances and is in the process of revocation of suspension.

12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

The requisite information is given in Annexure - A.

ANNEXURE

FORM A

Form for disclosure of particulars with respect to conservation of energy.

A. Power & Fuel consumption:

Current year Previous year

1. Electricity

a) Purchased

Unit

39521units

42470Units

Total Amount

157294.00

180497.00

Rate/Unit

3.98

4.25

b) Own Generation

(i) Through diesel generator (LDO)

Units

32232Units

24368Units

Total Cost

697872.00

459461.00

Cost/unit

21.00

18.85

(ii) Through steam turbine generator

Units

-

-

Units per ltr. Of fuel oil/gas

-

-

Cost/unit

-

-

2. Coal (specify quality and where used)

Quantity (tones)

-

-

Total cost

-

-

Average rate

-

-

3. Furnace oil

Quantity (k ltrs.)

-

-

Total amount

-

-

Average rate

-

-

4. Others/internal generation

(Please give details) (LDO)

-

-

Quantity

-

-

Total cost

-

-

Rate/Unit

-

-

B. Consumption per unit of production

-

-

	Standards (if any)	Current Year	Previous year
		(1)	(2)
Products (with details) unit	-	-	-
Electricity	-	-	-
Furnace oil	-	-	-
Coal (specify quality)	-	-	-
Others (specify)	-	-	-

As the company is manufacturing no. of products the per unit consumption is not possible to calculate.

**Notes :**

1. please give separate details for different products/item produced by the company and covered under these rules:
2. Please give reasons for variation in the consumption of power and fuel from standards of previous year.
3. In case of production of different varieties/specifications consumption details may be given for equivalent production.

B) Technology absorption.**(e) efforts made in technology absorption as per Form B of the Annexure :****Form B****Form for disclosure of particulars with respect to absorption of technology.****Research and development (R & D)**

1. Specific areas in which R & D carried out by the Company. - Nil
2. Benefits derived as a result of the above R&D. - Nil
3. Future plan of action.- Nil
4. Expenditure on R&D
 - (a) Capital - Nil
 - (b) Recurring - Nil
 - (c) Total - Nil
 - (d) Total R & D expenditure as percentage of total turnover. - Nil

Technology absorption, adaptation and innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation. - Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. - Nil
3. In case of imported technology imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: - Nil
 - (a) Technology imported - Nil
 - (b) Year of import - Nil
 - (c) Has technology been fully absorbed - Nil
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.- Nil

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

- (f) **Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans: _ Nil**
- (g) **Total foreign exchange used and earned. _ Foreign Exchange earned in India is Rs. 18,45,967/- & spent in India is Rs. 26,48,000/-**

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
SYNTHIKO FOILS LIMITED**

Place: Mumbai

Dated: 29th August, 2006.

Sd/-

**RAMESH DADHIA
(CHAIRMAN)**



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 and as such that is the only segment company is having.

C) OPPORTUNITIES / OUTLOOK:

The company is taking maximum efforts to capitalize on business opportunities and further expect a better outlook in the coming years.

D) THREATS:

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

E) RISKS AND CONCERNS:

your company is taking adequate majors 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:

Since the paid up capital of the Company is less than Rs.3,00,00,000/- the Corporate Governance code is not mandatory to the Company however the Board adopted the same as a good corporate practice.

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 (4) Four Directors out of which Two Directors are Executive Promoter Directors and other two Directors are Independent Non Executive Directors. There are no nominees or Institutional Directors in the Company.

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.

Non Executive Directors:

As per revised code of Corporate Governance, the composition of the Board should be as such that the Board of Directors of the company shall have an optimum combination of executive and non-executive Directors with not less than fifty percent of the Board of Directors comprising of non Executive Directors.

Details of Directors Seeking Appointment / Reappointment at the Forthcoming Annual general meeting (pursuant to clause 49 VI (IA) of the Listing Agreement)

Name of the Director	Mr. Bhavesh Dadhia.	Mr. Sunil Kumar Bang	Mr. Dilip D. Punjabi
Age	32	31	57
Qualification	B.Com	B.com, ACA, ACS.	B.com
Expertise in specific functional areas	12 years of corporate experience in the field of Finance.	10 years of corporate experience in the filed on taxation, Audit project finance and corporate law.	Experience of 30 year at corporate level in the filed of management and logistics
Directorship in other Indian Public Limited Company & other firms as on 31.03.2006	NIL	NIL	NIL
Shareholding	39400	NIL	NIL