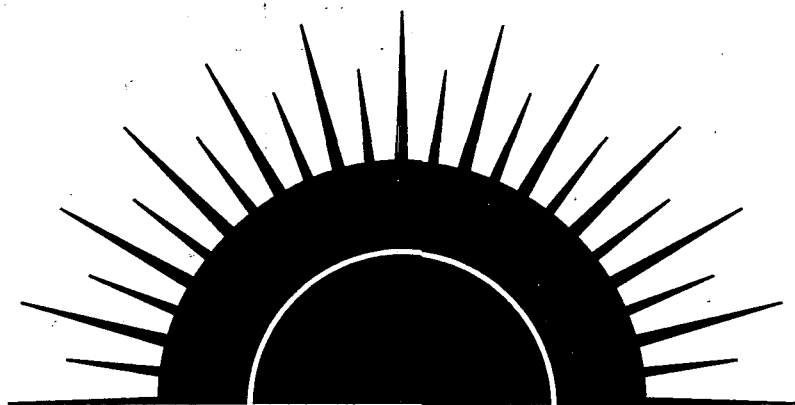


21st Annual Report 2008-2009



SUNCITY SYNTHETICS LTD.



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Request :

You may desire to have some clarification or additional information on the accounts for the year ended 31st March 2009 at the ensuing Annual General Meeting. We shall very much appreciate if you will kindly write to us at least ten days in advance to enable us to keep the information ready for you at the meeting.

Annual General Meeting :

Monday 31st August 2009

At 11.00 A.M.

205, Rajhans Complex,
Ring Road, SURAT

**BOARD OF DIRECTORS :**

Shri Dhanraj K Jain
Chairman

Shri Suresh Dhanraj Kavar
Managing Director

Shri Naresh Jain
Director

Shri Mahaveer Kothari
Independent Director

Shri Madanlal Kothari
Independent Director

Smt. Rachna Kataria
Independent Director

Bankers:

Indusind Bank, Jodhpur
S.B.B.J., Jodhpur

Auditors :

N.Kumbhat & Co.
Chartered Accountants
Surat

Registered Office :

205, Rajhans Complex,
Ring Road, Surat

Adm. Office :

C-8, Shastri Nagar,
Jodhpur (Raj.) India

Factories:

Unit I : Plot NO. E-7, Village Boranada
Dist.: Jodhpur
Unit II : Block NO. 51, Pipodara,
Dist. Surat

Register & Transfer Agent :

Mondkar Computers (P) Ltd.
21, Shakil Nivas
Mahakali Carve Road,
Andheri (East)
Mumbai



NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SUNCITY SYNTHETICS LIMITED WILL BE HELD ON MONDAY, 31st AUGUST 2009 AT 11.00 a.m. AT THE REGISTERED OFFICE OF THE COMPANY AT 205 RAJHANS COMPLEX, OPP. J.K. TOWERS, RING ROAD SURAT 395002 TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:-

1. To consider and adopt the Balance Sheet as at 31.03.2009 and the Profit and Loss Account for the year ended as on date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Mahavir Kothari, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms. Rachana kasatia, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

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/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- (2) Members desiring any information as regards accounts, are requested to write to the Company at least 10 days before the meeting to enable management to keep the information ready.
- (3) Members/Proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting place.
- (4) Explanatory Statement under section 173(2) is enclosed

Place: Surat

By Order of the Board of Directors

Date :-31.07.2009

Suresh Kavar
Managing Director

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (In pursuance of Clause 49 of the Listing Agreement)

1) Name of Directors	Mahavir Kothari	Rachana kataria
2) Date of Birth	20.06.1954	15.01.1972
3) Qualification	B.E. Elec.	B.A.
4) Date of Appointment	1.4.2007	31.7.2003
5) Experience	Industrialist 27 Yrs	House wife
6) Other Directorship as on 31.3.2009	Suncity Polyester (P) Ltd.	Nil
7) Chairman/member of the Committee as on 31.03.2009	NIL	1



DIRECTORS' REPORT

To,
The Members

Your directors have pleasure in presenting their Twenty first annual report and the audited statement of accounts for the year ended on 31st March, 2009 together with the auditors report thereon.

FINANCIAL RESULTS

The summarized financial results for year end 31st March 2009 are as under

Rupees in lacs		
Particulars	2008-09	2007-08
Sales and services	743.97	1356.01
Gross Profit before Interest and depreciation	-93.64	125.07
Less : Interest	10.60	12.50
Less : depreciation	43.46	41.79
Profit/loss before tax	-147.70	70.78
Less: p - rovision for tax including deferred tax	50.13	23.19
Add: Surplus	-97.56	47.59
Available for appropriation	200.37	302.21

DIVIDEND

With a view of losses the directors do not recommend any dividend for the year ended 31st March 2008. The company is in the process of adding machines to produce Pet chips from pet bottle waste.

COMPANY PERFORMANCE

The company continues to operate in Plastics business mainly production of nylon and polyester chips. The sales have decreased to Rs. 74397262.00 from previous year sales of Rs. 1,35,601,887.00 mainly on account of fall in raw prices. The company has also incurred losses on account of fall in inventory prices. The loss for the year was Rs. 14769992.00 as compared to profits of Rs. 130746554.00 in previous year.

MANAGEMENT DISCUSSION AND ANALYSIS.

- (a) **Industry Structure and Developments :-** Company is engaged in business of nylon/polyester chips manufacture
- (b) **Opportunities and Threats :-** The industry provides ample opportunities in domestic and as well as export market. However the uncertainty of raw material prices and government policies are detrimental to growth and profitability.
- (c) **Segment wise or product wise Performance :-** Company operates in single segment and segment wise reporting is not applicable.
- (d) **Outlook :-** The Company shall continue to explore its policy of expansion based on availability of resources and opportunity.
- (e) **Risks & Concerns :-** Company do not foresee any such risk in near future, which will hamper the activities.
- (f) **Internal control systems and their adequacy :-** Company is in the process of implementing various software for better control.
- (g) **Human Resources Management Initiatives:-** The management is keenly interested this field. All the efforts are made to rationalize its manpower and make effective use of the same.

BOARD OF DIRECTORS:

There was no change in constitution of Board of Directors during the year.

AUDITORS:

M/s. N. Kumbhat & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible offer themselves for reappointment. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board of directors commend their reappointment.

**FIXED DEPOSITS :**

Your Company has not accepted any deposits from public.

CORPORATE GOVERNANCE :

Certificate of the statutory auditors regarding compliance of the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with stock exchange, is enclosed..

STATUTORY INFORMATION :

(i) Information under 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:-

A. CONSERVATION OF ENERGY

- (A) Energy conservation measures taken: None at present
- (B) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: There are no proposals.
- (C) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Does not arise.
- (D) Total energy consumption and energy consumption per unit of production as per Form "A" to annexure in respect of industries specified in the schedule thereto

A. Power and fuel consumption	2008-2009	2007-2008
(a) Electricity Purchased		
Units(KWH)	600809	920865
Total amount Rs.in lacs	28.80	46.63
Rate/Unit (Rs.)	4.80	5.06
Own Generation		
Units(KWH)	5425	13860
Units per liter of diesel oil	3.62	3.85
Rate/Unit (Rs.)	9.68	9.37

B. TECHNOLOGY ABSORPTION**Form B**

- 1. Research & Development (R & D)
- 2. Specific area in which R & D carried by the company: None at Present
- 3. Benefits derived as a result of the above R & D: Does not arise.
- 4. Future plan of action: At present it is not under consideration
- 5. Expenditure on R & D: Nil

Technology absorption, adaptation and innovation:

- 1. Efforts being made towards technology absorption, adaptation and innovation: None
- 2. Benefits derived as a result of the above efforts e.g. Product improvement cost, reduction, product development, import substitution etc. : None
- 3. Imported technology : Not applicable as technology has not been imported.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Earning: Rs. Nil

Outgo: Rs. 206.35 Lacs.

INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AS AMENDED UP TO DATE :

The company do not have any employee drawing salary in excess of limits prescribed under section 217 (2a) of the companies act, 1956 read with the companies (particulars of employees) rules 1975 the particulars should be treated as nil

DIRECTORS' RESPONSIBILITY STATEMENT.

Your Directors confirm that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (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 financial year and of the loss of the company for the year.
- (iii) the Directors has 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, and
- (iv) the Directors had prepared the accounts on going concern basis.

INDUSTRIAL RELATIONS:

The industrial relations continued to be cordial during the year under review.

ACKNOWLEDGMENT:

The Directors express their sincere thanks to the employees, customers, suppliers, company's bankers and members of the company for their continued support.

For & On Behalf of the Board of Directors

Place : Surat

Date : 31.07.2009

Sd/-
Chairman

REPORT ON CORPORATE GOVERNANCE

The Company's policies and practices continued to aim at efficient conduct of business and in effective meeting its obligations to the shareholders as the company believes in good corporate governance.

BOARD OF DIRECTORS:

The present strength of Board of Directors of your Company is six. Two directors are executive directors and four are non executive directors. None of the directors are members in more than ten committees and they do not act as chairman of more than five committees

"Independent Director" who apart from receiving director's remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, which in judgment of the Board may affect independence of judgment of director.

Brief resume of the directors who retire by rotation and seek re appointment. is given in the notes to the notice, the members are requested to refer the same.

Attendance of Directors at the meeting of Board of Directors held during the financial year 2008-2009 and the last Annual General Meeting held on 30.09.2008 are as follows:

Details of Meetings of Board of Directors held during the year 2008-2009:

Sr.No.	Date	No. of Directors present
1	30.04.2008	4
2	15.06.2008	4
3	31.07.2008	4
4	31.10.2008	4
5	31.01.2009	4
6	31.03.2009	4

The gap between the two board meetings was not more than four months

Number of Board of Directors or Board Committee of Public Limited Companies of which a Director is member or chairperson.

Name of Director	Category	AGM attendance	Other directorship	Committee membership
Shri Dhanraj Kavar	Non.Exe	Yes	3	1
Shri Suresh Kavar	Executive	Yes	3	--
Shri Naresh Jain	Non Executive	Yes	3	--
Shri Madanlal Kothari	Independent	Yes	Nil	1
Smt.Rachana Kasatia	Independent	Yes	Nil	-

AUDIT COMMITTEE:

Brief description of terms of reference

To oversee the company's financial reporting process, internal control system, reviewing the accounting policies and practices, reports of the company's Quarterly/Half Yearly/Yearly financial statements as also to review financial and risk management policies.

Composition

: Consists of 2 directors as under :

Name of Members & Chairperson

: 1) Mr. Madanlal Kothari (Chairman)

: 2) Ms. Rachana kataria

The five meetings were held during the year on 30.04.2008, 02.07.2008, 31.07.2008, 31.10.2008 and 31.01.2009 All meetings were attended by both directors .

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

Brief description of terms of reference

To specifically look into the redressal of complaints like transfer of shares, non-receipt of annual reports, etc. received from shareholders/investors and improve the efficiency in investors' service wherever possible.

Composition

: Consists of 3 directors as under :

Name of Members & Chairperson

: 1) Ms.Rachana Kataria Chairperson

: 2) Mr. Dhanraj Jain

: 3) Mr. Naresh jain

The complains received during the year have been replied and no complaints are pending at end of the year

Name of Compliance Officer

: Mr. Suresh Kavar

REMUNERATION COMMITTEE:

The Executive Directors' remuneration is fixed by the committee within the overall limit and recommended for approval by the Board of Directors and the Shareholders at their meetings. Presently, the Non Executive Directors are not paid any remuneration or sitting fees

Composition

: Consists of 2 directors as under :

Name of Members & Chairperson

: 1) Mr. Madanlal Kothari (Chairman)

: 2) Ms. Rachana kataria

The remuneration paid to directors during the year is as under

1.Shri Suresh kavar Rs.600000/=



ANNUAL GENERAL MEETING :

Details of last three Annual General Meetings held:

Particulars	2005- 2006	2006-2007	2007-08
Day	Saturday	Thursday	Tuesday
Date	30.09.2006	16.08.2007	30.09.2007
Time	11.00. a.m	11.00 a.m	11.00 a.m.
Venue	205 Rajhans Complex, Ring Road Surat	205 Rajhans Complex, Ring Road Surat	205 Rajhans Complex, Ring Road Surat

DISCLOSURES:

- Disclosures on materially significant related party transaction, i.e., transactions of the company of material nature, with its Promoters, Directors, or the Management their subsidiaries or relative, etc. that may have potential conflict with the interest on the company at large:-

None of the transactions with any of the related parties were in conflict with the interest of the company.

- Details of non compliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory or any matter related to capital market during the last three years.

The company has complied with the requirements of regulatory authorities on matters related to the capital market and no penalties/strictures have been imposed against the company during the last three years.

MEANS OF COMMUNICATION:

The Company publishes its financial results every quarter in newspapers. Communications on the half yearly results are not sent individually to the Shareholders of the company.

COMPLIANCE CERTIFICATE

The certificate regarding compliance of conditions of clause 49 of the Listing Agreement from the Auditors of the company is annexed hereto.

GENERAL SHAREHOLDER INFORMATION:

- | | |
|--|---|
| 1) Annual General Meeting | : 21th Annual General Meeting |
| Day, Date, Time & Venue | : Monday 31st August, 2009
At 205 Rajhans Complex Ring Road Surat. |
| 2) Financial Year/Calender : | |
| § Results for first Quarter ending 30.06.2009 | : On or before 31.07.2009 |
| § Results for second Quarter ending 30.09.2009 | : On or before 31.10.2009 |
| § Results for third Quarter ending 31.12.2009 | : On or before 31.01.2010 |
| § Results for last Quarter ending 31.03.2010 | : On or before 30.04.2010 |
| § Results for year ending 31.03.2010 | : On or before 31.08.2010 |
| 3) Date of Book Closures | : 27-08-09 to 31-08-09 (both days inclusive) |
| 4) Dividend Payment Date | : No dividend declared |
| 5) Regd. Office | : 205 Rajhans Complex, Ring Road Surat. |
| 6) Registrar & Share Transfer Agent | : M/s. Mondkar Computers Private Limited |
| 7) Address of Investors Correspondence | : Mondkar Computers Private Limited
21 Shakil Niwas Mahakali caves Road
Andheri East Mumbai |
| 8) Plant Location | : 1)Plot No. E 7 Boranada Dist. Jodhpur
: 2)Block no.51 Survey no.59 Pipodara Dist .Surat |
| (9) Stock Code | : 530795 Mumbai Stock Exchange |
| (10) Demat ISIN No. in NSDL &CSDL : INE584001019 | |



12) Distribution of Shareholding as on 31.03.2009

Distribution of Shares (Slab wise)	Percentage to total No. of Shareholders	Percentage total Share Capital
Up to 500	55.68	5.49
501 to 1000	25.72	8.51
1001 to 5000	14.20	13.86
5001 to 10000	1.20	4.04
10001 & above	3.20	68.10
Total	100.00	100.00

13) SHARE TRANSFER SYSTEM :

As per SEBI circular No. B & CC/FITTC/CIR-15/2002 dated 27.12.2002, the Company has decided that all the work related to share transfer in terms of both physical and electronic shall be maintained at a single point. Accordingly M/s. Mondkar Computers Private Limited 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali caves Road Andheri East Mumbai 400093 been assigned the share registry work with effect from 1st April, 2003.

14) As per notification issued by SEBI, the shares of company are traded compulsary in dematerialised form by an investor. As on 31st March, 2009, out of total shares of 4945800 fully paid up equity shares of Rs. 10/- each listed with Stock Exchange 1067800 equity shares (21.59 % of paid up capital) have been demated.

15) Outstanding GDRs, AARs warrants or any convertible instruments, etc. : NIL

Place : Surat
Date : 31.07.2009

For & On Behalf of the Board of Directors

Sd/-
Chairman

AUDITORS CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of corporate governance by Suncity Synthetics Limited (The Company) for the year ended on 31.03.2009 as stipulated in clause 49 of listing agreement entered into with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliances of conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

Based on such a review and to the best of our information and according to explanation given to us the company has complied with the conditions of corporate governance as stipulated in clause 49 of the said listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company, nor as to efficiency or effectiveness with which the management has conducted affairs of the company.

Place : Surat
Date : 15.07.2009

For N.Kumbhat & Co.
Chartered Accountants

Neeraj Kumbhat
Partner
Mem No. 74713

**AUDITOR'S REPORT**

To,
The Members,
M/s. Suncity Synthetics Ltd.

- 1 We have audited the attached balance sheet of **M/s. SUNCITY SYNTHETICS LTD.** as at 31st March, 2009 and also the profit & loss account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we annex hereto a Statement on the matters specified in Paragraph 4 and 5 of the said Order.
- 4 Further to our comments in the annexure referred to on the paragraph 1 above, we report that.
 - i) We have obtained all the information and explanation, which to the best our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion proper books of account as required by the law have been kept by the company so far as appears from our examination of the books.
 - iii) The Balance sheet and profit & loss account dealt with by this report is in agreement with the books of account of the company.
 - iv) In our opinion, the balance sheet and profit & loss account dealt with by this report are prepared to in section 211 (3C) of the Companies Act, 1956.
 - v) On the basis at written representation received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956.
- 5 In our opinion, and to the best of our information and according to the explanation given to us, the accounts together with schedules and notes thereon, gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view -
 - i) In the case of Balance sheet, of the state of company's affairs as at 31st March, 2009.
 - ii) In the case of Profit and loss account, of the loss for the year ending on that date and
 - iii) In the case of Cash Flow Statement, of the cash flows for year ended on that date.

For N. KUMBHAT & CO.
Chartered Accountants,

NEERAJ KUMBHAT
PARTNER
Mem. No. 74713

Place : Surat.
Date : 15.07.2009



ANNEXURE TO AUDITOR'S REPORT

ANNEXURE

To,
The Members,
M/s. Suncity Synthetics Ltd.

- I) (A) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(B) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed off a any major part of the plant and machinery.
- II) (A) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(B) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(C) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- III) (A) The company had taken loan during the year from four persons covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 41.75 lacs and the year end balance of loans taken from such parties was Rs. 28.25 lacs. The company has granted loans/advances during the year to three companies/firm/persons covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 15.63 lacs and the year end balance of loans given to such parties was Rs. 9.02 lacs.
(B) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
(C) The company is regular in repaying the principal amounts as stipulated, if any and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
(D) There is no overdue account of loans from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- IV) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- V) (A) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(B) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- VI) The company has not accepted any deposits from the public, and hence the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public are not applicable to it. No order has been passed by the Company Law Board.
- VII) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- VIII) I have reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the central government for maintenance of cost records under section 209(1)(D) of the Companies Act, 1956 and is of the opinion that prima facie the prescribed account and records have been made and maintained. I have not however made a detailed examination of the records with a view to determining whether they are accurate or complete.



- IX) (A) The company is normally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
(B) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2009 for a period of more than six months from the date they became payable.
(C) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- X) In our opinion, the company have not accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XI) In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- XII) I am informed that the company hasnot granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIII) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society, Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XV) I am informed that, the company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4.(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XVI) In our opinion, the term loans have been applied for the purpose for which they were raised.
- XVII) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- XVIII) According to the information and explanations given to us, the company has not raise any money by issue of shares during the year. Therefore, the provision of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- IXX) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- XX) Company has not raised any money by public issues. Therefore, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XXI) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Surat.
Date : 15.07.2009

For N. KUMBHAT & CO.
Chartered Accountants,

NEERAJ KUMBHAT
Partner
Mem. No. 74713



Suncity Synthetics Limited.

Balance Sheet As on 31st March 2009

(Amount in Rs.)

Particulars	Schedule No.	As on 31-03-2009	As on 31-03-2008
A) SOURCES OF FUNDS :			
[1] Share Holders Funds :-			
Share Capital	1	49458000	49458000
Reserve & Surplus	2	32261797	42546018]
[2] Deferred Tax Liability		2362464	7375971
[3] Loans Funds :-			
Secured Loans	3	12420310	8627712
Unsecured Loans	4	2825000	250000
TOTAL		99327571	108257701
(B) APPLICATION OF FUNDS :			
[1] Fixed Assets :-	5		
{a} Gross Block		80364666	77150979
{b} Less : Depreciation		36641403	32295486
{c} Net Block		43723263	44855493
[2] Investment	6	3326300	3326300
[3] Net Current Assets :-			
{a} Current Assets, Loans & Advances	7	57009695	69392968
{b} Less : Current Liabilities & Provision	8	(4731687)	(9317060)
{c} Net Current Assets		52278008	60075908
[4] Miscellaneous Expenditure	9	-	-
<i>(To the extent not written off or adjusted)</i>			
TOTAL		99327571	108257701

Significant Accounting Policies and Notes on Accounts.

18

As per our report of even date.

For And On Behalf Of The Board

**For N. Kumbhat & Co.,
Chartered Accountants**

Chairman

Managing Director.

**Neeraj Kumbhat
Partner**

Director

Place : Surat
Date : 31.07.2009

Memb. No. 74713
Place : Surat
Date : 15.07.2009



Suncity Synthetics Limited

Profit & Loss Account for the year ended on 31/03/2009

(Amount in Rs.)

	Schedule No.	For the year ended	
		31-03-2009	31-03-2008
(A) INCOME :			
Sales & Services Rendered	10	74397262	135601887
Other Income	11	727154	1705635
Increase/(Decrease) in Stock	12	3937925	517450
TOTAL		79062341	137824972
(B) EXPENDITURE :			
Raw Material Consumed	13	71589375	97206808
Manufacturing Expenses	14	8207717	14858604
Payment & Benefit to Employees	15	4116796	5149982
Administrative, Selling & Other Expenses	16	4443392	8032238
Financial Charges	17	1059884	1249898
Depreciation		4345917	4179192
Preliminary Expenses Written off		-	-
Fringe Benefit Tax		69252	69832
TOTAL		93832333	130746554
Profit/(Loss) for the year.		(14769992)	7078418
Less : Provision for Tax			
Current Year		-	(2519870)
Add: Deferred Tax		5013507	201186
Profit/(Loss) after Tax		(9756485)	4759735
Add/(Loss) : Balance Brought Forward from Previous Year		30321518	25590476
Less: Income Tax / FBT/ Sales Tax for earlier years		(527736)	(28693)
Balance Transferred to Balance Sheet		20037297	30321518

Significant Accounting Policies and Notes on Accounts.

18

As per our report of even date.

For And On Behalf Of The Board

For N. Kumbhat & Co.,
Chartered Accountants

Chairman

Managing Director.

Neeraj Kumbhat
Partner
Memb. No.74713
Place : Surat
Date : 15.07.2009

Director

Place : Surat
Date : 31.07.2009



Suncity Synthetics Limited.

Schedule Forming Part of the Balance Sheet as at 31/03/2009

(Amount in Rs.)

	As On 31-03-09	As On 31-03-08
Schedule : 1 Share Capital		
<i>Authorised Share Capital</i>		
7000000 Equity Shares of Rs. 10/- Each.	70000000	70000000
<i>Issued, Subscribed & Paid-up Share Capital</i>		
4945800 Equity Shares (Previous Year: 6593550 Equity Shares) of Rs. 10/- Each fully paid.	49458000	49458000
Less : Calls In Arrears		
	49458000	49458000
Note : Of the above shares, 375000 Equity Shares are allotted as fully paid up by way of Bonus shares by capitalisation of Reserves.		
Schedule : 2 Reserve & Surplus :		
Share Forfeiture Reserve	8237500	8237500
Cash Subsidy	3987000	3987000
Profit & Loss A/c.	20037297	30321518
	32261797	42546018
Schedule : 3 Secured Loan :		
Working Capital - Indusind Bank OD A/c	12420310	8627712
	12420310	8627712
Schedule : 4 Unsecured Loan :		
Short Term Loan		
- From Others	2825000	250000
	2825000	250000

Schedule : 5 Fixed Assets :

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Bal as on 01.04.2008	Addition during the Year	Deduction during the Year	Closing Bal as on 31.03.2009	Opening Bal as on 01.04.2008	Addition during the Year	Deduction during the Year	Closing Bal as on 31.03.2009	W.D.V. AS ON 31.03.2008	W.D.V. AS ON 31.03.2009
Land	866520	714945	-	1581465	-	-	-	-	1581465	866520
Building	4353088	1276625	-	5629713	1733300	145383	-	1878683	3751020	2619788
Office	500000	-	-	500000	37701	16700	-	54401	445589	462299
Plant & Machinery	61968278	309000	-	62277278	26136153	3283904	-	29420057	32857221	35832125
Furniture & fixtures	730012	-	-	730012	601659	46210	-	647869	82143	128353
Office Equipment	926843	33250	-	960093	412752	74103	-	486855	473238	514091
Solar Dryer	1002189	-	-	1002189	429499	103626	-	533125	469064	572690
Vehicles	6804049	879867	-	7683916	2944422	675981	-	3620403	4063513	3659627
Total	77150979	3213687	-	80364666	32295486	4345917	-	36641403	43723263	44855493
Previous Year	74305155	2845824	-	77150979	28116294	4179192	-	32295486	44855493	



	(Amount in Rs.)	
	As On 31-03-09	As On 31-03-08
Schedule : 6 Investment :		
<i>Unquoted (other than Trade)</i>		
50000 Equity shares of Rs. 10/- each fully paid up of - Dhara Fabrics Pvt. Ltd.	500000	500000
<i>Quoted (Trade)</i>		
2800 Equity Shares of Rs. 10/- each at premium - partly paid up - Gujarat State Financial Corporation	30000	30000
(Aggregate Market Value -/- Previous year Rs...../-)		
21000 Equity Shares (Previous Year 21000) of Rs. 10/- each of Moti Finance Ltd.	210000	210000
(Aggregate Market Value -/- Previous year Rs...../-)		
Share Application Money Ziquitza Health Care Pvt. Ltd.	2576300	2576300
National Saving Certificate	10000	10000
	3326300	3326300
Schedule : 7 Current Assets, Loans and Advances :		
(A) <u>Inventory</u> - (As valued and certified by the management)		
a. Raw Materials	11774922	15058245
b. Finished Goods	12856700	8965375
c. Wastage	186600	140000
d. Stores, Spares and Packing Materials.	95600	122200
	24913822	24285820
(B) <u>Sundry Debtors</u> - (Unsecured, considered good except otherwise stated)		
a. Debtors Exceeding six months	651864	1131580
b. Other Debtors	10112415	18897838
	10764279	20029418
(C) <u>Cash and Bank Balance</u> :		
a. Cash on hand	417352	1064759
b. Cash at Bank		
With Scheduled bank		
- In current Account	5073622	94339
- In Fixed Deposit	692033	650122
	6183007	1809220
(D) <u>Loans and Advances</u> - (Unsecured, considered good, except otherwise stated)		
- Loans (including interest, if any)	7949924	9985122
- Advances recoverable in cash or in kind or for value to be received and/or adjusted	4701716	8925832
- Advance Tax and Tax Deducted at Sources	752372	2332502
- Security Deposit	1744575	2025054
	15148587	23268510
Total Current Assets (A + B + C + D)	57009695	69392968



(Amount in Rs.)

	As On 31-03-09	As On 31-03-08
Schedule : 8 Current Liabilities & Provisions		
(A) Current Liabilities		
Sundry Creditors for Capital Goods	-	20000
Sundry Creditors For Goods	2387263	1430900
Sundry Creditors For Expenses	2069184	3705304
Statutory Liabilities	275240	1520986
Other Liability	-	120000
	4731687	6797190
(B) Provisions		
For Taxation	-	2519870
	-	2519870
	4731687	9317060
Total Current Liabilities (A + B)	4731687	9317060
Schedule : 9 Miscellaneous Expenditure : (To the extent not written off or adjusted)		
Public Issue Expenses	-	-
Schedule Forming Part of the Profit & Loss A/c	For the year ended	
	31-03-2009	31-03-2008
Schedule : 10 Sales & Services Rendered :		
Sales (Jodhpur)	59052045	106696080
Sales (Surat)	14694175	27101850
Export Sales	-	1482281
Job Charges	597097	42250
Wastage of Own Product	44944	86280
Sale of Raw Material	-	180000
Late receipt charges	9001	13146
	74397262	135601887
Schedule : 11 Other Income :		
Discount Received	159360	549962
Interest Recd.	540294	1155673
Transport & Forwarding	27500	
Sundry Balances Written off	-	-
	727154	1705635
Schedule : 12 Increase / (Decrease) in Stock :		
Closing Stock :		
Finished Goods	12856700	8965375
Wastage	186600	140000
	13043300	9105375
Less: Opening Stock		
Finished Goods	8965375	8567925
Wastage	140000	20000
	9105375	8587925
	3937925	517450



Amount in Rs.

	For the year ended	
	31-03-2009	31-03-2008
Schedule : 13 Raw Material Consumed :		
Opening Stock	15058245	25405580
Add : Purchase	64063308	84063011
Custom & Transportation Charges	4242744	2796462
Less : Closing Stock	(11774922)	(15058245)
	71589375	97206808
Schedule : 14 Manufacturing Expenses :		
Carriage Inward	1606974	1560248
Stores, Spares & Packing Material	2063418	4984625
Power & Fuel	3241610	4895263
Repairs & Maintenance - Building	-	211153
Repairs & Maintenance - Machinery	1174402	3066313
Other Manufacturing Expenses	121313	141002
	8207717	14858604
Schedule : 15 Personnel Expenses:		
Salaries, Wages & Bonus	3942529	4980576
Provident Fund Paid	116609	98401
ESI Expenses	29758	25065
Worker's Welfare & Other Benefits	27900	45940
	4116796	5149982
Schedule : 16 Administrative, Selling & Other Expenses :		
Advertisement	35381	29507
Auditor's Remuneration	24818	25281
Commission & Brokerage	1923688	3401688
Conveyance	201577	251688
Director's Remuneration	600000	300000
Discount Paid	22349	377904
Donation	402000	500000
Insurance	50360	61560
Freight, Forwarding & Other Exp.	3021	691197
Legal & Professional Fees	152406	265519
Membership fees and subscription	32922	37660
Octroi	-	2710
Office Overheads	101000	305597
Postage, Printing & Stationery	64431	106221
Rates & Taxes	756	3500
Rent Paid	576000	576000
Share Listing Fees	40000	400000
Telephone Expenses	124242	168186
Travelling	49590	302841
Penalty for Sales Tax and Excise	38851	139602
Sundry Bal W. Off	-	85577
	4443392	8032238
Schedule : 17 Financial Charges :		
Interest to Bank	949003	1184203
Interest on Hire Purchase	-	1058
Bank Charges	110236	62785
Banking Cahs Transaction Tax	645	1852
	1059884	1249898

SCHEDULE : 18**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:****A) Significant Accounting Policies:**

Basis of Accounting: The accounts are prepared on accrual basis under the historical cost convention in accordance with mandatory accounting standards and relevant presentation requirements of the Companies Act, 1956.

Fixed Assets: Fixed assets are stated at cost of acquisition or construction including indirect cost related to construction.

Depreciation: Depreciation is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, on pro rata basis.

Inventories: Stocks are valued at cost or net realisable value whichever is lower.

Revenue Recognition: Revenue is recognised when no significant uncertainty as to determination or realisation exit.

Foreign Exchange Transactions: Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the remittance. Current assets, current liabilities and loans denominated in foreign currencies are recorded on the date of transaction.

Borrowing Costs: Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Investments: Long term assets are stated at cost. However diminution in value other than temporary is provided. The profit/loss arising on account of sales is recognised in the Profit & Loss A/c.

Taxation:

i) **Current year charge :** The provision for taxation is made based on an estimate of assessable income determined by the company under the Income Tax Act, 1961.

ii) **Deferred Tax :** Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent years.

Treatment of Contingent Liability

Contingent Liabilities are disclosed by way of Notes to Accounts.

B) Notes on Accounts:**1. Contingent Liabilities:**

a) Uncalled amount of partly paid-up shares - Rs. Nil (Prev. Year - Rs. Nil/-)

b) Claims against the Company not acknowledged as debts

i) Disputed Sales Tax Liability Rs. Nil/- (Prev. Year - Rs. Nil/-)

2. Loan Liabilities:

a) Working capital OD a/c with Indusind Bank Ltd. is secured by hypothecation of stock (Raw material & Finished goods):

3. Managerial Remuneration:

	Current Year	Previous Year
Director's Remuneration	600000	300000

4. Repairs & Maintenance :

For Building:		211153
For Plant & Machinery	1174402	3066313
	<u>1174402</u>	<u>3277466</u>

5. Payment to Auditor :

a) for Statutory Audit	15000	15000
b) for Tax Audit	7500	7500
c) Service Tax	2318	2781
	<u>24818</u>	<u>25281</u>



6 Addition information pursuant to the provisions of paragraph 3, 4C, & 4D of Part II of Schedule VI of the Companies Act, 1956.

(Rs. In Lacs)

(A) Capacity & Production	Unit	Current Year			Previous Year		
		Licensed	Installed	Actual	Licensed	Installed	Actual
Nylon Granules (Net of Wastage)							
Surat	Ton	N.A.	1500.00	130.73	N.A.	1500.00	351.80
Jodhpur	Ton	N.A.	1500.00	726.81	N.A.	1500.00	1016.50
Total			3000.00	857.53		3000.00	1368.30

(B) Turnover	Unit	Current Year		Previous Year	
		Quantity	Rs.	Quantity	Rs.
- Polyester/ Nylon Granules	(Jodhpur)	Tons	611.23	590.52	1092.60
	(Surat)		158.85	146.94	290.90
- Waste	(Jodhpur)	Tons	2.00	0.45	8.09
	(Surat)		-	-	-
Total			772.08	737.91	1391.59

(C) Raw Material Consumed	Unit	Current Year		Previous Year	
		Quantity	Rs.	Quantity	Rs.
- Nylon Waste	(Jodhpur)	Tons	875.67	1224.70	972.07
	(Surat)	Tons	157.50	423.86	
Total			1033.17	1648.55	972.07

(D) Stock	Unit	Current Year				Previous Year			
		Opening Stock		Closing Stock		Opening Stock		Closing Stock	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
i. Raw Material : Nylon Waste									
- Jodhpur	Tons	164.48	109.46	115.01	57.50	291.28	148.55	164.48	109.46
- Surat	Tons	58.64	41.13	143.44	60.25	180.35	105.50	58.64	41.13
- Total	Tons	223.12	150.59	258.45	117.75	471.63	254.06	223.12	150.59
ii. Finished Goods									
a. Nylon Granules									
- Jodhpur	Tons	44.58	37.89	160.15	108.90	120.68	85.68	44.58	37.89
- Surat	Tons	60.90	51.77	32.78	19.67			60.90	51.77
b. Waste									
- Jodhpur	Tons	14.00	1.40	18.66	1.87	2.00	0.20	14.00	1.40
- Surat	Tons	-	-	-	-	-	-	-	-

(E) Value of Imports on C.I.F. Basis during the Financial Year in respect of:

(Rs. In Lacs)

	Current Year	Previous Year
(a) Raw Material	206.35	158.15
(b) Stores, Spares & Packing Materials		0.88



(F) Expenditure in Foreign Currency on Account of

Import of Fixed Assets	-	-
Foreign Travelling Expenses	-	1.03
	206.35	160.07

	Current Year		Previous Year	
	Rs.In lacs	% of the Total Consumption	Rs.In lacs	% of the Total Consumption
(G) Value of Raw Material Consumed				
a. Imported	206.35	28.82%	158.15	16.27%
b. Indigenous	509.54	71.18%	813.92	83.73%
	715.89	100.00%	972.07	100.00%

	Current Year		Previous Year	
	Rs.In lacs	% of the Total	Rs.In lacs	% of the Total
(H) Stores, Spares & Packing Materials:				
a. Imported	0.00	0.00%	0.88	1.77%
b. Indigenous	20.63	100.00%	48.96	98.23%
	20.63	100.00%	49.85	100.00%

7 Related Party Disclosure

(a) List of Related Parties

(i) Key Management Personnel and their relatives

Key Management Personnel - Mr. Dhanraj Jain, Mr. Suresh Dhanraj Jain, Mr. Jamboo Kothari, Mr. Naresh Jain

Other related Parties - Mr. Mahendra Kavar, Smt. Patasi Devi, Richa Jain & Mrs. Reena Kavar

(ii) Enterprises owned or significantly influenced by Key Management Personnel

Mycosynthetics Pvt. Ltd.

KDS Tex Pvt. Ltd.

Dhara Fabrics Pvt. Ltd.

Suncity Polyester Pvt. Ltd.

Ziquita Health Care Pvt. Ltd.

(b) Transactions/ outstanding balances with Related Parties -

The company has entered into transactions with certain related parties as listed below. The Board Considers such transactions to be in normal course of business.

Nature of Transaction	Enterprises owned or significantly influenced by key management personnel		Key Management Personnel and their relatives	
	Volume of transactions for the year ended		Volume of transactions for the year ended	
	31-03-09	31-03-08	31-03-09	31-03-08
Expenses:				
- Commission on Sales	-	-	-	-
- Remuneration to Directors	-	-	600000	300000
- Salary	-	-	1044000	646000
- Rent Paid	396000	396000	180000	180000
- Amount W/off	-	-	-	-
Income:				
Interest Received	-	-	124002	228953
Advances/Loan given	-	-	1135953	2103391
Advances/Loan return	550000	1064343	2574300	1743322
Outstanding as on 31.03.09				
Creditors for expenses	314424	623520	191760	661111
Debtors	473647	956327	-	-
Advance/Loans Taken	-	-	2725000	250000
Advance/Loans given	71655	621655	1176333	2951089



	31.03.2009	31.03.2008
8 Earning Per Share		
(a) Net Profit available for share holders	-9756485	4759735
(b) Weighted average no. of equity shares	4945800	4945800
(c) Basic and Dilluted Earning per share of Rs.10 Each	-1.97	0.96

9 Provision for Taxation:

- (i) Provision for current year tax has been made as per the Income Tax Act, 1961.
- (ii) The Company estimates the deferred tax charge/(credit) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimates taxable income for the current year.

The movement of provision for deferrred tax is given below:

Particulars	Opening as at 01.04.2008 Rs.	Charge/ (Credit) during the year Rs.	Closing as at 31.03.2009 Rs.
A. Deferred Tax Liability:			
(a) Depreciation	7375971	(887978)	6487994
B. Deferred Tax Assets:			
(a) Unabsorbed depreciation	-	4125529	4125529
Net (A) - (B)	7375971	(5013507)	2362464

- 10 Balances of sundry debtors, creditors and loan accounts are subject to confirmation.
- 11 Amount in the Balance Sheet and Profit & Loss a/c are rounded off to the nearest rupee.
- 12 Previous year figures have been regrouped and rearranged wherever necessary.
- Significant Accounting Policies and Notes on Accounts.

18

As per our report of even date.

For N. Kumbhat & Co.,
Chartered Accountants

Neeraj Kumbhat
Partner

Place : Surat

Date : 15.07.2009

For And On Behalf Of The Board
Chairman

Managing Director.

Director

Place : Surat

Date : 31.07.2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	:	10397
State Code	:	04
(Refer Code List)		
Balance Sheet Date	:	31/03/2009

II. CAPITAL RAISED DURING THE YEAR (Amount in Lacs)

Public Issue	:	-
Right Issue	:	-
Bonus Issue	:	-
Private Placement	:	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Lacs)

Total Liabilities	:	993.28
Total Assets	:	993.28

Sources of Funds

Paid up Capital	:	494.58
Reserve & Surplus	:	322.62
Deferred Tax Liability	:	23.62
Secured Loans	:	124.20
Unsecured Loans	:	28.25

Application of Funds

- Net Fixed Assets	:	437.23
Investments	:	33.26
Net Current Liability	:	522.78
Misc. Expenditure	:	-0.00

IV. PERFORMANCE OF COMPANY (Amount in Lacs)

Turnover	:	743.97
Total Expenditure	:	828.87
Profit before Tax	:	-147.70
Provision for Taxation	:	-50.14
Profit after Tax	:	-97.56
Earning per Share	:	-1.69
Dividend Rate %	:	-

V. GENERAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(as per monetary terms)

(ITC Code) (20)	:	390810/390760
Products		
Description	:	Nylon Granules/Polyester



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net Profit Before Tax and Extraordinary Items	(147.70)	70.78
---	----------	-------

Add:

Depreciation	43.46	41.79
Interest Paid	9.49	11.85
Bad Debts W/off	-	-
Preliminary Expenses Written off	-	-

52.95	53.64
-------	-------

(94.75)	124.43
---------	--------

5.40	11.56
------	-------

Less: Other Income (Consider Separately)

Cash from Operation	Total - A
---------------------	-----------

(100.15)	112.87
----------	--------

Less: Adjustment for Working Capital Changes

Add:

Inventories	6.28	(98.53)
Creditors for Goods	(9.56)	2.96

(95.57)

Less:

Sundry Debtors	92.65	-119.72
Other Receivables	65.40	26.57
Other payables	-30.22	-23.07

Total - B

-131.11	20.65
---------	-------

Cash Generated from Operations after Working

Capital Changes (A - B) (C)

30.96	92.22
-------	-------

Less: Income Tax Paid/(Refund)

14.68	45.90
-------	-------

Net Cash Flow from Operating Activities (D)

16.28	46.32
-------	-------

B. Cash Flow from Investing Activities

Interest Received	5.40	11.56
Sale of Investment	-	-
Sale of Fixed Assets	-	5.40

11.56

Less:

Purchase of Investments	-	0.10
Purchase of Fixed Assets	32.14	28.46
Advance for Fixed Assets	-	32.14

28.56

Net Cash Flow from Investing Activities (E)

-26.73	-16.90
--------	--------

C. Cash Flow from Financing Activities

Add: Increase in Term Loan	63.68	(19.31)
----------------------------	-------	---------

Add: Increase in Share capital (Net of forfeiture)

-	0.03
---	------

Less: Decrease in Working Capital Facilities

Interest Paid	9.49	9.49	11.85	11.85
---------------	------	------	-------	-------

Net Cash Flow from Financing Activities (F)

54.19	-31.13
-------	--------

Net Changes in Cash & Cash Equivalents (D+G+J)

43.41	-1.71
-------	-------

Opening Balance of Cash & Cash Equivalents

18.09	19.80
-------	-------

Closing Balance of Cash & Cash Equivalents

61.83	18.09
-------	-------

For And On Behalf Of The Board

Chairman

Managing Director.

Director

Place : Surat

Date : 31.07.2009

**AUDITOR'S CERTIFICATE**

We have examined the above Cash Flow Statement of SUNCITY SYNTHETICS LIMITED for the period ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of March 31, 2009 to the members of the Company.

***For N. Kumbhat & Co.,
Chartered Accountants***

***Neeraj Kumbhat
Partner***

Place : Surat
Date : 15.07.2009



SUNCITY SYNTHETICS LIMITED

Regd. Off.: 205, Rajhans Complex, Ring Road, Surat

I/We of
 in the
 district of
 being member/members of of
 in the district of
 of

 in the district of as my / our proxy to vote for me/us behalf at the 21st Annual General Meeting of Company to be held on
 Monday 31st August 2009, At 11.00 A.M. and at any adjournment there of. Signed This of 2009.

Signed by the said

Reg. Folio No.

No. of Shares Held

Note : The companies Act, 1956 lays down that the instrument appointing a proxy shall be deposited at the Registered office of the Company not less than FORTY-EIGHT hours before the time for holding the meeting.

SUNCITY SYNTHETICS LIMITED

Regd. Off.: 205, Rajhans Complex, Ring Road, Surat

ATTENDANCE SLIP

I hereby record my presence at the 21st Annual General Meeting of the Company to be held at Registered off.: 205, Rajhans, Ring Road, Surat on Monday 31st August 2009, At 11.00 A.M.

Name of Shareholder(S)
 (In Block Capitals)

Name of Proxy or Company Representative
 (In Block Capitals)

Signature of Shareholder(S)
 Proxy or Company Representative.

Note : 1. A Proxy Attending on behalf of Shareholder(s) Should please write the name of the shareholder(s) from whom he holds Proxy.
 2. Member are requested to bring to their copy of the Annual Report with them to the meeting as additional copies of the same will not made available at the Meeting.

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