



SUNCITY SYNTHETICS LTD.

**23rd
Annual Report
2010-2011**

CONTENTS

BOARD OF DIRECTORS

NOTICE

DIRECTOR REPORT

BALANCE-SHEET

PROFIT & LOSS ACCOUNTS

SCHEDULES

CASH FLOW STATEMENT

Request :

You may desire to have some clarifications or additional information on the accounts for the year ended 31st March 2011 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 :
Thursday , 18th August 2011
At 11.00 A.M.
205, Rajhans Complex,
Ring Road, SURAT

BOARD OF DIRECTORS :

Shri Suresh Dhanraj Kavar
Managing Director

Registered Office
205, Rajhans Complex,
Ring Road, SURAT

Smt. Poonam Jain
Director

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

Shri Madanlal Kothari
Independent Director

Smt. Rachna Kataria
Independent Director

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

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

Auditors:
N.Kumbhat & Co.
Chartered Accountants
Surat

Registrar & Transfer agent
Modkar Computers (P) Ltd.
21, Shakil Nivas,
Mahakali Carve Road, Andheri (East)
MUMBAI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SUNCITY SYNTHETICS LIMITED WILL BE HELD ON THURSDAY ,18TH AUGUST 2011 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 31.03.2011 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. Suresh Kawar Jain, who retires by rotation and being eligible, offers himself for reappointment.
3. 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.

SPECIAL BUSINESS :-

4. To consider and if thought fit to pass with or without modification following resolution as ordinary resolution to appoint Ms. Poonam Suresh Jain who has been appointed as additional directors at meeting of Board of Directors held on 01.12.2010 as director of company.

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
Date :-30.06.2011

By Order of the Board of Directors

Suresh Kawar
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF The Companies Act 1956.

Ms. Poonam Jain was appointed as additional director of company by Board of Directors at its meeting held on 01.12.2010. Company has received intimation form member proposing Ms. Poonam Jain as director of company.

Ms. Poonam Jain is eligible to become director of company and has given required declaration that she is not disqualified from being appointed as director of company.

The board of directors recommend appointment of Poonam Jain as director of company. None of the directors except Ms. Poonam Jain and Mr. Suresh Jain are interested in the resolution.

Details of particulars of appointment of Ms. Poonam Jain as additional Director and declarations etc submitted by Poonam Jain with company and the notice received form members intimation proposal for appointment of Ms. Poonam Jain as director of company and other related papers are available for inspection at registered office of the company.

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

1) Name of Directors	Suresh kawar	Poonam Jain
2) Date of Birth	18.06.64	12.09.68
3) Qualification	C.A	BSC
4) Date of Appointment	25.02.86	01.12.2010
5) Experience	25	10
6) Other Directorship as on 31.3.2011	Nil	Nil
7)Chairman/member of the Committee as on 31.03.2011	Nil	Nil

DIRECTORS' REPORT

To,
The Members

Your directors have pleasure in presenting their Twenty second annual report and the audited statement of accounts for the year ended on 31st March, 2011 together with the auditors report thereon.

FINANCIAL RESULTS

The summarized financial results for year end 31st March 2011 are as under

Particulars	2010-11	Rupees in lacs	
		2009-10	
Sales and services	1086.24	535.62	
Gross Profit before Interest and depreciation	140.13	67.08	
Less : Interest	0.36	3.06	
Less : depreciation	45.27	44.52	
Profit/loss before tax	94.50	19.50	
Less: provision for tax including deferred tax	53.60	-1.40	
Add: Surplus	40.89	20.90	

DIVIDEND

With a view of plough back profits for working of company the directors do not recommend any dividend for the year ended 31st March 2011.

COMPANY PERFORMANCE

The company continues to operate in Plastics business mainly production of nylon and polyester chips. The company's sales have doubled this year as it has increased from Rs.535.62 lacs to Rs.1086.24 lacs and company has earned profit of rs.53.60 lacs after depreciation and interest but before provision of Tax.

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/diversification based on availability of resources and opportunity . The company is planning to enter into manufacturing business of Polyester staple fibre from Pet bottles.
- (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:

M.s Poonam Jain was appointed as additional director during the year. It is proposed to appoint her as director in forthcoming Annual General Meeting. Mr. Suresh Jain retires by rotation and is eligible for being reappointment as directors.

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

Energy conservation measures taken: None at present

Additional investment and proposals, if any, being implemented for reduction of consumption of energy: There are no proposals.

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.

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	2010-11	2009-10
(a) Electricity Purchased		
Units(KWH)	656839	367568
Total amount Rs.in lacs	37.56	21.08
Rate/Unit (Rs.)	5.72	5.74
Own Generation		
Units (KWH)	14485	760
Units per liter of diesel oil	4.02	3.80
Rate/unit (Rs.)	9.98	9.92

B. TECHNOLOGY ABSORPTION**Form B****Research & Development (R & D)**

Specific area in which R & D carried by the company: None at Present

Benefits derived as a result of the above R & D: Does not arise.

Future plan of action: At present it is not under consideration

Expenditure on R & D: Nil

Technology absorption, adaptation and innovation:

Efforts being made towards technology absorption, adaptation and innovation: None

Benefits derived as a result of the above efforts e.g. Product improvement cost, reduction, product development, import substitution etc. : None

Imported technology : Not applicable as technology has not been imported.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Earning: Rs. Nil Outgo : Rs.20.00 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.

Place : Surat

Date : 30.06.2011

For & On Behalf of the Board of Directors

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 Four. Two directors are executive directors and two 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 2010-2011 and the last Annual General Meeting held for the on 30.06.2010 are as follows:

Details of Meetings of Board of Directors held during the year 2010-2011:

Sr.No.	Date	No. of Directors present
1	30.04.2010	4
2	18.05.2010	4
3	31.07.2010	4
4	31.10.2010	4
5	01.12.2010	4
6	31.01.2011	4
7	31.03.2011	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 in public limited companies	Committee membership
Shri Suresh Kavar	Executive	Yes	Nil	--
Smt. Poonam Suresh Jain	Executive	Yes	Nil	--
Smt. Rachana Kataria	Independent	Yes	Nil	1
Shri Madanraj Kothari	Independent	Yes	Nil	1

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 3 directors as under :
Name of Members & Chairperson	:	1) Mr. Madanraj Kothari (Chairman)
	:	2) Ms. Rachana kataria
	:	3) Smt. Poonam Jain

The Six meetings were held during the year on 30.04.2010, 18.05.2010, 31.07.2010, 31.10.2010, 31.01.2011 and 31.03.2011. All meetings were attended by all 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 (Chairman)
	:	2) Mr. Madanraj Kothari
	:	3) Smt. Poonam Jain

The complains received during the year have been replied and no complains 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. Madanraj Kothari (Chairman)
	:	2) Ms. Rachana Kataria

The remuneration paid to directors during the year is as under

- 1) Shri Suresh kavar Upto Rs. 9,00,000.00
- 2) Smt. Poonam Jain Upto Rs. 5,00,000.00

ANNUAL GENERAL MEETING :

Details of last three Annual General Meetings held:

Particulars	2007-2008	2008-2009	2009-2010
Day	Thursday	Wednesday	Wednesday
Date	16.08.2008	30.09.2009	30.06.2010
Time	11.00 a.m	11.00 a.m.	11.00 a.m.
Venue	205 Rajhans Complex, Ring Road Surat		

DISCLOSURES:

1. 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.

2. 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 here to.

GENERAL SHAREHOLDER INFORMATION:

- 1) Annual General Meeting : 23rd Annual General Meeting
Day, Date, Time & Venue : 18.08.2011
At 205 Rajhans Complex Ring Road Surat.
- 2) Financial Year/Calender :
Results for first Quarter ending 30.06.2011 : On or before 31.07.2011
Results for second Quarter ending 30.09.2011 : On or before 31.10.2011
Results for third Quarter ending 31.12.2011 : On or before 31.01.2012
Results for last Quarter ending 31.03.2012 : On or before 30.04.2012
Results for year ending 31.03.2012 : On or before 31.08.2012
- 3) Date of Book Closures : 15.08.2011 to 18.08.2010 (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. Moodkar Computers Private Limited
- 7) Address of Investors Correspondence : Moodkar 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
- (11) Distribution of Shareholding as on 31.03.2011
DISTRIBUTION OF SHARES AS ON 31ST MARCH, 2011
TOTAL NOMINAL VALUE RS. 49458000.00 NOMINAL VALUE OF EACH SHARES RS. 10/-
TOTAL NUMBER OF SHARES 4945800 PAID UP VALUE OF EACH SHARES RS. 10/- PAID UP

SHARE OR HOLDING NOMINAL VALUE OF (1)	SHARE HOLDERS		SHARES HOLDINGS		SHARE AMOUNT	
	IN QTY (2)	IN % (3)	IN QTY (4)	IN % (5)	IN RS. (6)	IN % (7)
UPTO - 5,000	1094	57.398	269821	5.456	2698210.00	5.456
5,001 - 10,000	476	24.974	408129	8.252	4081290.00	8.252
10,001 - 20,000	126	6.611	207021	4.186	2070210.00	4.186
20,001 - 30,000	82	4.302	209239	4.231	2092390.00	4.231
30,001 - 40,000	14	0.735	51439	1.040	514390.00	1.040
40,001 - 50,000	39	2.046	192974	3.902	1929740.00	3.902
50,001 - 1,00,000	25	1.312	204458	4.134	2044580.00	4.134
1,00,001 AND ABOVE	50	2.623	3402719	68.800	34027190.00	68.800
TOTAL	1906	100.000	4945800	100.000	49458000.00	100.000

12) 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. Moodkar 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.

13) As per notification issued by SEBI, the shares of company are traded compulsory in dematerialised form by an investor. As on 31st March, 2011, out of total shares of 49458000.00 fully paid up equity shares of Rs. 10/- each listed with Bombay Stock Exchange 1573700 equity shares (31.81 % of paid up capital) have been demated.

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

Place : Surat
Date :30.06.2011

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 31.03.2011 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 : 30.06.2011

For N.Kumbhat & Co.
Chartered Accountants

Neeraj Kumbhat
Proprietor 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, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011.
 - 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.

Place : Surat
Date : 15.06.2011

For N. Kumbhat & Co.,
Chartered Accountants

Mukesh Khaitan
Partner
FRN No. 113451W

**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 program of verification which, in our opinion, is reasonable having regards of 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 one person covered in the register maintained under section 301 of the Companies Act, 1956. The company has granted loans/advances during the year to one 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. 6.85 lacs and the year end balance of loans given to such party was Rs. Nil.
(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 prma 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 31.03.2011 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 has not 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.

For N. Kumbhat & Co.,
Chartered Accountants

Place : Surat
Date : 15.06.2011

Mukesh Khaitan
Partner
FRN No. 113451W

Balance Sheet As at 31st March 2011

(Amount in Rs.)

Particulars	Schedule No.	As on 31-03-2011	As on 31-03-2010
SOURCES OF FUNDS :			
Share Holders Funds :-			
Share Capital	1	49,458,000	49,458,000
Reserve & Surplus	2	38,425,705	34,345,685
		87,883,705	83,803,685
Loans Funds :-			
Secured Loans	3	-	-
Unsecured Loans	4	-	225,000
		-	225,000
Deferred Tax Liability		5,530,169	1,921,686
	TOTAL	93,413,874	85,950,371
APPLICATION OF FUNDS :			
Fixed Assets :-			
Gross Block	5	84,071,378	80,543,194
Less : Depreciation		45,620,394	41,093,464
Net Block		38,450,984	39,449,730
Investment:-	6	950,000	750,000
Current Assets, Loans & Advances:-			
Inventory	7	6,984,464	19,851,891
Sundry Debtors	8	13,667,435	13,229,568
Cash and Bank Balance	9	19,352,354	2,073,427
Loans and Advances	10	21,912,639	13,483,696
		61,916,892	48,638,582
Less : Current Liabilities & Provision	11	(7,904,002)	(2,887,941)
Net Current Assets		54,012,890	45,750,641
	TOTAL	93,413,874	85,950,371

Statement on Significant Accounting Policies and Notes on Accounts. 20

As per our report of even date.

N. Kumbhat & Co.

Chartered Accountants

For And On Behalf of The Board
Suncity Synthetics Limited

Mukesh Khaitan

Partner

FRN No. 113451W

Place : Surat

Date : 15.06.2011

Chairman

Managing Director

Director

Place : Surat

Date : 30.06.2011

Profit & Loss Account for the year ended on 31st March, 2011

(Amount in Rs.)

Particulars	Schedule No	For the year ended	
		31-03-2011	31-03-2010
INCOME :			
Sales & Services Rendered	12	108,624,960	53,562,041
Other Income	13	2,138,730	748,660
Increase/(Decrease) in Stock	14	(7,291,601)	(4,791,849)
	TOTAL	103,472,089	49,518,852
EXPENDITURE :			
Raw Material Consumed	15	69,667,731	28,570,031
Manufacturing Expenses	16	10,500,103	6,645,350
Payment & Benefit to Employees	17	3,995,055	3,800,404
Administrative, Selling & Other Expenses	18	5,296,964	3,793,677
Financial Charges	19	35,722	306,568
Depreciation		4,526,930	4,452,061
Fringe Benefit Tax		-	-
	TOTAL	94,022,505	47,568,091
Profit/(Loss) for the year.		9,449,584	1,950,761
Less : Provision for Income Tax		(1,751,952)	(301,392)
Provision for Deferred Tax		(3,608,483)	440,778
Profit/(Loss) after Tax		4,089,149	2,090,147
Add/(Less) : Balance Brought Forward from Previous Year		22,121,185	20,037,297
Less: Income Tax / FBT/Sales Tax for earlier years		(9,129)	(6,259)
Balance Transferred to Balance Sheet		26,201,205	22,121,185

Statement on Significant Accounting Policies and Notes on Accounts. 20

As per our report of even date.

N. Kumbhat & Co
Chartered Accountants

.For And On Behalf of The Board
Suncity Synthetics Limited

Mukesh Khaitan
Partner
FRN No. 113451W
Place : Surat
Date : 15.06.2011

Chairman Managing Director Director

Place : Surat
Date : 30.06.2011

Schedule Forming Part of the Balance Sheet as at 31st March 2011

(Amount in Rs.)

	As On 31-03-11	As On 31-03-10
Schedule : 1		
Share Capital		
<i>Authorised Share Capital</i>		
70,00,000 Equity Shares of Rs. 10/- Each.	70,000,000	70,000,000
<i>Issued, Subscribed & Paid-up Share Capital</i>		
49,45,800 Equity Shares of Rs. 10/- Each fully paid.	49,458,000	49,458,000
Note : Of the above shares, 3,75,000 Equity Shares are allotted as fully paid up by way of Bonus shares by capitalisation of Reserves.		
	49,458,000	49,458,000
Schedule : 2		
Reserve & Surplus		
Share Forfeiture Reserve	8,237,500	8,237,500
Cash Subsidy	3,987,000	3,987,000
Profit & Loss A/c.	26,201,205	22,121,185
	38,425,705	34,345,685
Schedule : 4		
Unsecured Loan		
Short Term Loan		
From Others	-	225,000
	-	225,000

Schedule : 5 Fixed Assets

	Rate of Dep.	Gross Block				Depreciation				Net Block	
		Opening Bal as on 01.04.2010	Addition During The Year	Deduction During The Year	Closing Bal as on 31.03.2011	Opening Bal as on 01.04.2010	Addition During The Year	Deduction During The Year	Closing Bal as on 31.03.2011	W.D.V. as on 31.03.2011	W.D.V. as on 31.03.2010
Land	-	1,656,901	-	-	1,656,901	-	-	-	-	1,656,901	1,656,901
Building	3.34%	5,732,805	629,100	-	6,361,905	2,069,100	197,751	-	2,266,851	4,095,054	3,663,705
Office	3.34%	500,000	-	-	500,000	71,101	16,700	-	87,801	412,199	428,899
Plant & Machinery.	5.28%	62,277,278	1,794,344	-	64,071,622	32,708,298	3,318,391	-	36,026,689	28,044,933	29,568,980
Furniture & fixtures	6.33%	730,012	-	-	730,012	694,079	35,933	-	730,012	-	35,933
Office Equipment	4.75%	686,963	-	-	686,963	369,227	32,631	-	401,858	285,105	317,736
Computers	16.21%	273,130	42,000	-	315,130	194,533	47,893	-	242,426	72,704	78,597
Solar Dryer	10.34%	1,002,189	-	-	1,002,189	636,751	103,626	-	740,377	261,812	365,438
Vehicles	9.50%	7,683,916	1,062,740	-	8,746,656	4,350,375	774,005	-	5,124,380	3,622,276	3,333,541
Total		80543194	3528184	-	84071378	41093464	4526930	-	45620394	38450984	39449730
Previous Year		77150979	3213687	-	80364666	32295486	4345917	-	36641403	43723263	

Schedule Forming Part of the Balance Sheet as at 31st March 2011

(Amount in Rs.)

	As On 31-03-11	As On 31-03-10
Schedule : 6 Investment		
Unquoted (other than Trade)		
70,000 Equity shares (P. Y. - 50, 000) of Rs. 10/- each fully paid up of - Dhara Fabrics Pvt. Ltd.	700,000	500,000
Quoted (Trade)		
2,800 Equity Shares of Rs. 10/- each at premium - partly paid up - Gujarat State Financial Corporation (Aggregate Market Value -/- Previous year Rs...../-)	30,000	30,000
21,000 Equity Shares of Rs. 10/- each of Moti Finance Ltd. (Aggregate Market Value -/- Previous year Rs...../-)	210,000	210,000
National Saving Certificate	10,000	10,000
	950,000	750,000
Schedule : 7 Inventory		
(As quantified, valued and certified by the management)		
a. Raw Materials	5,923,404	11,454,240
b. Finished Goods	924,750	8,073,065
c. Wastage	35,100	178,386
d. Stores, Spares and Packing Materials.	101,210	146,200
	6,984,464	19,851,891
Schedule : 8 Sundry Debtors		
a. Debtors Exceeding six months	473,647	746,161
b. Other Debtors	13,193,788	12,483,407
	13,667,435	13,229,568
Schedule : 9 Cash and Bank Balance		
a. Cash on hand	470,491	606,238
b. Cash at Bank		
<u>In current Accounts:</u>		
Dena Bank	-	-
Indusind Bank	12,885,841	100,000
State Bank of Bikaner & Jodhpur	316,498	151,266
Indusind Bank -OD A/c	-	473,239
In Fixed Deposit:	5,679,524	742,684
	19,352,354	2,073,427
Schedule : 10 Loans and Advances		
(Unsecured, considered good, except otherwise stated)		
Loans (including interest, if any)	12,604,320	5,901,645
Advances recoverable in cash or in kind or for value to be received and/or adjusted	5,810,601	5,362,710
Advance Tax and Tax Deducted at Sources	2,608,435	1,330,058
Security Deposit	889,283	889,283
	21,912,639	13,483,696

Schedule Forming Part of the Balance Sheet as at 31st March 2011

(Amount in Rs.)

	As On 31-03-11	As On 31-03-10
Schedule : 11 Current Liabilities & Provisions		
(A) Current Liabilities		
Sundry Creditors For Goods	3,563,729	1,154,292
Sundry Creditors For Expenses	2,187,327	1,351,706
Other Liability	400,994	80,551
(B) Provisions		
For Taxation	1,751,952	301,392
Total Current Liabilities (A + B)	7,904,002	2,887,941

Schedule forming part of the Profit & Loss Account for the year ended on 31-03-2011

(Amount in Rs.)

	As On 31-03-11	As On 31-03-10
Schedule : 12 Sales & Services Rendered		
Sales (Jodhpur)	81,554,052	40,723,141
Sales (Surat)	25,547,119	12,515,165
Job Charges(Surat)	545,147	111,090
Job Charges(Jodhpur)	39,488	107,735
Wastage of Own Product	932,962	104,910
Late receipt charges	6,192	-
	108,624,960	53,562,041
Schedule : 13 Other Income		
Discount Received	176,851	71,580
Interest Recd.	1,961,879	677,080
	2,138,730	748,660
Schedule : 14 Increase / (Decrease) in Stock		
Closing Stock :		
Finished Goods(Jodhpur)	909,000	5,416,180
Finished Goods(Surat)	15,750	2,656,885
Wastage(Jodhpur)	35,100	178,386
	959,850	8,251,451
Less: Opening Stock		
Finished Goods(Jodhpur)	5,416,180	10,890,200
Finished Goods(Surat)	2,656,885	1,966,500
Wastage(Jodhpur)	178,386	186,600
	8,251,451	13,043,300
	(7,291,601)	(4,791,849)

Schedule forming part of the Profit & Loss Account for the year ended on 31-03-2011

(Amount in Rs.)

	As On 31-03-11	As On 31-03-10
Schedule : 15 Raw Material Consumed		
Opening Stock (Jodhpur)	4,517,160	5,750,400
Opening Stock (Surat)	6,937,080	6,024,522
Add : Purchase (Jodhpur)	51,836,105	20,485,643
Purchase (Surat)	11,432,376	6,895,220
Custom & Transportation Charges	868,414	868,486
Less : Closing Stock(Jodhpur)	(3,597,140)	(4,517,160)
Closing Stock(Surat)	(2,326,264)	(6,937,080)
	69,667,731	28,570,031
Schedule : 16 Manufacturing Expenses		
Carriage Inward	1,450,924	887,331
Stores, Spares & Packing Material	2,894,208	1,361,275
Power & Fuel	3,902,064	2,837,890
Repairs & Maintenance - Machinery	2,133,559	1,479,521
Other Manufacturing Expenses	119,348	79,333
	10,500,103	6,645,350
Schedule : 17 Personnel Expenses		
Salaries, Wages & Bonus	3,910,811	3,692,046
Providend Fund Paid	68,265	86,374
ESI Expenses	15,979	21,984
	3,995,055	3,800,404
Schedule : 18 Adminstrative, Selling & Other Expenses		
Advertisement	21,804	34,687
Auditor's Remuneration	27,575	24,818
Bad Debts Written off	-	175,253
Commission & Brokerage	2,666,515	1,472,038
Conveyance	125,332	173,622
Director's Remuneration	600,000	600,000
Discount Paid	657,634	123,666
Donation	5,000	-
Insurance	28,503	69,977
Freight, Forwarding & Other Exp.	-	-
Legal & Professional Fees	52,618	116,287
Membership fees and subscription	64,016	33,036
Office Overheads	123,777	145,421
Postage, Printing & Stationery	70,131	65,124
Rates & Taxes	71,148	1,390
Rent Paid	576,000	576,000
Share Listing Fees	11,030	29,614
Telephone Expenses	65,047	76,141
Travailing	40,358	66,817
Penalty/interest for Sales Tax and Excise	90,476	9,786
	5,296,964	3,793,677
Schedule : 19 Financial Charges		
Interest to Bank	23,452	222,742
Interest on Loan	-	25,000
Bank Charges	12,270	58,826
	35,722	306,568

SCHEDULE : 20 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) No Contingent Liability has been reported to us by the management.

	Current Year	Previous Year
3 Managerial Remuneration:		
Director's Remuneration	600,000.00	600,000.00
4 Repairs & Maintenance :		
For Building	-	-
For Plant & Machinery	2,133,559.00	1,479,521.00
	2,133,559.00	1,479,521.00
5 Payment to Auditor :		
a) for Statutory Audit	17,500.00	15,000.00
b) for Tax Audit	7,500.00	7,500.00
c) Service Tax	2,575.00	2,318.00
	27,575.00	24,818.00

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

(Amount- Rs. in Lacs)
(Quantity- in Tons)

A) Capacity & Production :

	Licensed	Current Year		Licensed	Previous Year	
		Installed	Actual		Installed	Actual
Nylon Granules (Net of Wastage)						
Jodhpur	N.A.	1,500.00	717.61	N.A.	1,500.00	356.52
Surat	N.A.	1,500.00	230.70	N.A.	1,500.00	146.97
Total		3,000.00	948.30		3,000.00	503.49

(B) Turnover :

		Current Year		Previous Year	
		Qty.	Amt.	Qty.	Amt.
Nylon Granules (Net of Wastage)	Jodhpur	777.85	815.54	446.33	407.23
	Surat	265.03	255.47	145.24	125.15
Wastage	Jodhpur	64.40	9.33	8.46	1.05
	Surat	-	-	-	-
Total		1,107.28	1,080.34	600.03	533.43

(C) Raw Material Consumed :

		Current Year		Previous Year	
		Qty.	Amt.	Qty.	Amt.
Nylon Waste	Jodhpur	875.13	536.25	429.54	225.87
	Surat	281.34	160.43	177.07	59.83
Total		1,156.47	696.68	606.61	285.70

(D) Stock Details:

Opening Stock:		Current Year		Previous Year	
		Qty.	Amt.	Qty.	Amt.
Raw Material					
Nylon Waste	Jodhpur	75.29	45.17	115.01	57.50
	Surat	115.62	69.37	143.44	60.25
	Total	190.90	114.54	258.45	117.75
Finished Goods					
Nylon Granules	Jodhpur	70.34	54.16	160.15	108.90
	Surat	34.51	26.57	32.78	19.67
Wastage	Jodhpur	13.72	1.78	18.66	1.87
	Surat	-	-	-	-
Total		118.57	82.51	211.59	130.43

Closing Stock		Current Year		Previous Year	
		Qty.	Amt.	Qty.	Amt.
Raw Material					
Nylon Waste	Jodhpur	48.61	35.97	75.29	45.17
	Surat	31.44	23.26	115.62	69.37
	Total	80.05	59.23	190.90	114.54
Finished Goods					
Nylon Granules	Jodhpur	10.10	9.09	70.34	54.16
	Surat	0.18	0.16	34.51	26.57
Wastage	Jodhpur	0.03	0.35	13.72	1.78
	Surat	-	-	-	-
Total		10.30	9.60	118.57	82.51

	(E) Value of Imports on C.I.F. Basis during the Financial Year in respect of:		(` . In Lacs)	
			Current Year	Previous Year
Raw Material			19.22	45.88
Stores, Spares & Packing Materials			0.78	0.50

(F) Expenditure in Foreign Currency on Account of

Import of Fixed Assets	-	-
Foreign Travelling Expenses	-	-

(G) Value of Raw Material Consumed

	Current Year		Previous Year	
	` .In lacs	% of the Total Consumption	` .In lacs	% of the Total Consumption
Imported	19.22	2.76%	45.88	16.06%
Indigenous	677.46	97.24%	239.82	83.94%
	696.68	100.00%	285.70	100.00%

(H) Stores, Spares & Packing Materials:

	Current Year		Previous Year	
	` .In lacs	% of the Total Consumption	` .In lacs	% of the Total Consumption
Imported	0.78	2.71%	0.50	3.65%
Indigenous	28.16	97.29%	13.12	96.35%
	28.94	100.00%	13.61	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 Kawar, Smt. Patasi Devi, Richa Jain & Mrs. Reena Kawar
- (ii) Enterprises owned or significantly influenced by Key Management Personnel
 Myco Synthetics 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	
	31-03-11	31-03-10	31-03-11	31-03-10
Investments:				
- Share Purchase			200000	-
Expenses:				
- Remuneration to Directors	-	-	600000	600000
- Salary	-	-	700000	1020000
- Rent Paid	396000	396000	180000	180000
- Amount W/off	-	-		-
Income:				
Interest Received	-	-	196215	178665
Advances/Loan given	-	-	220000	1255000
Advances/Loan return	-	-	1097618	1071000
Outstanding as on 31.03.2010				
Creditors for expenses	-	-	-	20000
Debtors	473647	473647	-	-
Advance/Loans Taken	-	-	-	225000
Advance/Loans given	-	-	1191445	1941409

8	Earning Per Share		
	(a) Net Profit available for share holders	4089149	2090147
	(b) Weighted average no. of equity shares	4945800	4945800
	('c) Basic and Dilated Earning per share of Rs.10 Each	0.83	0.42

9 Provision for Taxation:

(i) Provision for current year tax has been made as per the Income Tax Act, 1961.

(ii) The Company estimate the deferred taxes 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 deferred tax is given below:

Particulars	Opening as at 01.04.2010	Charge/ (Credit) during the year	Closing as at 31.03.2011
A. Deferred Tax Liability:			
(a) Depreciation	6,047,216	(517,047)	5,530,169
B. Deferred Tax Assets:			
(a) Unabsorbed depreciation	4,125,529	(4,125,529)	-
Net (A) - (B)	1,921,686	3,608,483	5,530,169

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.

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

**For And On Behalf of The Board
Suncity Synthetics Limited**

Mukesh Khaitan
Partner
FRN No. 113451W
Place : Surat
Date :15.06.2011

Chairman

Managing Director

Director

Place : Surat
Date :30.06.2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	:	10397
State Code (Refer Code List)	:	04
Balance Sheet Date	:	31-03-2011

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	:	934.14
Total Assets	:	934.14
Sources of Funds		
Paid up Capital	:	494.58
Reserve & Surplus	:	384.26
Deferred Tax Liability	:	55.30
Secured Loans	:	0.00
Unsecured Loans	:	0.00
Application of Funds		
Net Fixed Assets	:	384.51
Investments	:	9.50
Net Current Liability	:	540.13
Misc. Expenditure	:	0.00

IV. PERFORMANCE OF COMPANY (Amount in Lacs)

Turnover	:	1086.25
Total Expenditure	:	940.23
Profit before Tax	:	94.50
Provision for Taxation	:	53.60
Profit after Tax	:	40.89
Earning per Share	:	0.83
Dividend Rate %	:	-

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

(as per monetary terms)		
(ITC Code) (20)	:	390810/390760
Products		
Description	:	Polyester/Nylon Granules

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		Current Year		Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax and Extraordinary Items		94.50		19.51
Add: Depreciation	45.27		44.52	
Interest Paid	0.23		2.48	
Bad Debts W/off	-		1.75	
		45.50		48.75
		140.00		68.26
Less: Other Income (Consider Separately)		19.62		6.77
Cash from Operation	Total - A	120.38		61.48
Less: Adjustment for Working Capital Changes				
Add:				
Inventories	(128.67)			(50.62)
Creditors for Goods	(24.09)	(152.77)	12.33	(38.29)
Less:				
Sundry Debtors	(4.38)		-26.41	
Other Receivables	-71.51		22.43	
Other payables	11.56	(64.32)	(9.12)	(13.10)
	Total - B	(88.44)		(25.19)
Cash Generated from Operations after Working Capital Changes (A - B)	(C)	208.83		86.68
Less: Income Tax Paid/(Refund)		15.89		5.84
Net Cash Flow from Operating Activities	(D)	192.94		80.84
B. Cash Flow from Investing Activities				
Interest Received	19.62		6.77	
Sale of Investment	-		25.76	
Sale of Fixed Assets	-	19.62	-	32.53
Less:				
Purchase of Investments	2.00		-	
Purchase of Fixed Assets	35.28		1.79	
Advance for Fixed Assets	-	37.28	-	1.79
Net Cash Flow from Investing Activities	(E)	-17.66		30.75
C. Cash Flow from Financing Activities				
Add: Increase in Term Loan		(2.25)		(150.20)
Add: Increase in Share capital (Net of forfeiture)		-		-
Less: Decrease in Working Capital Facilitates		-		-
Interest Paid	0.23	0.23	2.48	2.48
Net Cash Flow from Financing Activities	(F)	(2.48)		-152.68
Net Changes in Cash & Cash Equivalents	(D+E+F)	172.79		(41.10)
Opening Balance of Cash & Cash Equivalents		20.73		61.83
Closing Balance of Cash & Cash Equivalents		193.52		20.73

For And On Behalf of The Board
Suncity Synthetics Limited

Chairman Managing Director Director

Place : Surat
Date : 15.06.2011

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of SUNCITY SYNTHETICS LIMITED for the period ended 31st March, 2011. 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, 2011 to the members of the Company.

N. Kumbhat & Co.
Chartered Accountants

Mukesh Khaitan
Partner
FRN No. 113451W

Place : Surat
Date : 15.06.2011

SUNCITY SYNTHETICS LIMITED

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

I/We of
district of in the
being member/member of
..... of
district of in the
district of of
district of as my/ our proxy to vote for me/us behalf at the 23rd Annual General Meeting of Company to be held on Thursday
18th August 2011. At 11.00 A.M. and at any adjournment there of . Signed of2011

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

I hereby record my presence at the 23rd Annual General Meeting of the Company to be held at Registered off.:205, Rajhans Complex, Ring Road, Surat on Thursday 18th August 2011, At 11.00A.M.

Name of Shareholder(S)
(In Block Capitals)

Name of Proxy or Company Representative
(In Block Capitals)

Signature os 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.

Book-Post

**If Undelivered Please Return To :
Modkar Computers (P) Ltd.
21, Shakil Nivas,
Mahakali Carve Road, Andheri (East)
MUMBAI**