

EVERLON  
SYNTHETICS  
LIMITED

21 ST  
ANNUAL REPORT  
(2009 - 2010)

Accounting Year

31st March 2010

Assessment Year

(2010- 2011)

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# EVERLON SYNTHETICS LIMITED

## BOARD OF DIRECTORS

|                           |                   |
|---------------------------|-------------------|
| SHRI JITENDRA K. VAKHARIA | MANAGING DIRECTOR |
| SMT. VARSHA J. VAKHARIA   | DIRECTOR          |
| SHRI DINESH P. TURAKHIA   | DIRECTOR          |
| SHRI KAMLESH C. SANGHAVI  | DIRECTOR          |

## AUDITORS

M/s. POLADIA & COMPANY

(Chartered Accountants)  
C-81, Anant Chhaya  
353/3 R B Mehta Marg  
Ghatkopar (E)  
MUMBAI – 400 077.

## BANKERS

INDIAN OVERSEAS BANK  
THE BANK OF RAJASTHAN LTD.,

## REGISTERED OFFICE

67, Regent Chambers,  
208, Nariman Point,  
Mumbai – 400 021. E-Mail : everlon@rediffmail.com

## FACTORY

Plot No.265/7/1.  
Demni Road,  
Dadra, Silvassa  
(Union Territory of Dadra & Nagar Haveli )

## LISTED AT

The Bombay Stock Exchange, Mumbai  
The Ahmedabad Stock Exchange, Ahmedabad.

## REGISTRAR & SHARE TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.  
17/B, DENA BANK BUILDING,  
2<sup>ND</sup> FLOOR, HORNIMAN CIRCLE,  
FORT,  
MUMBAI – 400 001.  
TEL.NO:22702485/ 22641376  
FAX NO:2264 1349  
E-mail: Sharexindia@vsnl.com

**NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Saturday 14<sup>th</sup> August 2010 at 11.30 a.m. at the Registered Office of the Company at 67, Regent Chambers, 6<sup>th</sup> Floor, 208 Nariman Point, Mumbai – 400 021 to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider & adopt Audited Accounts for the year ended 31<sup>st</sup> March 2010, together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri Dinesh P. Turakhia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**By order of the Board of Directors**

**Sd/-**

**J.K. Vakharia  
Managing Director**

Place : Mumbai  
Dated: 28th May 2010

Registered Office :  
67, Regent Chambers,  
208, Nariman Point,  
Mumbai. – 400 021.

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share transfer books of the Company will remain closed from Friday 6<sup>th</sup> August 2010 to Saturday 14<sup>th</sup> August 2010 (Both days inclusive) for the purpose of Annual General Meeting.
- c) The Members are requested to:
- i) Intimate immediately any change in their address to Company's Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2<sup>nd</sup> floor, Horniman Circle, Fort, Mumbai – 400 001. Members holding shares in the electronic form are advised to inform change in address directly to their respective depository participants.
  - ii) Quote their Folio No./Client ID No. in their correspondence with the Company/ Registrar and Share Transfer Agents.
  - iii) Send their queries atleast 10 days in advance so that the required information can be made available at the meeting.
  - iv) Bring their copies of Annual Report and Attendance slip with them at the meeting.
  - v) Intimate Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. for consolidation of their folios, in case they are having more than one folio.
- d) Unpaid / Unclaimed Dividend:  
In terms of amended Section 205-A and newly introduced Section 205-C, the company is now required to transfer unpaid/ unclaimed dividend to the credit of Investors Education and Protection Fund on expiry of seven years from the date of transfer to unpaid dividend account. Accordingly, the company has transferred all unclaimed dividend to the Fund in respect of Financial Years upto 31<sup>st</sup> March 1998.

**Details of Directors seeking Re-appointment at the forthcoming Annual General Meeting**

(As per clause 49 (IV) (G) of the Listing Agreement)

|    |  |                                      |   |
|----|--|--------------------------------------|---|
| A. | Name of Director   | Shri Dinesh P.<br>Turakhia           | . |
| B. | Date of Birth  | 25/09/1942                           |   |
| C. | Date of Appointment  | 06/12/2002                           |   |
| D. | Expertise in specific functional areas   | 22 years Experience in yarn business |   |
| E. | Qualifications   | D.E.E.                               |   |
| F. | Name of Companies in which directorship held as on 31 <sup>st</sup> March, 2010  | -- NIL --                            |   |
| G. | Chairman/Member of the Committees of the Board of the other companies on which he is a Director as on 31 <sup>st</sup> March 2010. | ---- NIL ----                        |   |
| H. | No. of equity shares of Rs.10/- each of the company held as on 31 <sup>st</sup> March 2010   | 500                                  |   |
| I. | Inter-se Relations among Directors   | --- NIL ---                          |   |

## CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company submits the following report on the matters mentioned in the said clause.

### 1. Company's Philosophy on Code of Governance

The company is committed to good Corporate Governance.

### 2. Board of Directors

During the Financial year 2009-2010, 6 Board Meetings were held on 27<sup>th</sup> April 2009, 30<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 11<sup>th</sup> September 2009, 26<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010.

Details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other committee Membership are given below:

| Sr. No. | Name of the Director                           | Category of Directorship | No. of Board Meetings Attended | Attendance at last A.G.M. | No of other Directorship (As on 31 <sup>st</sup> March, '10) in other companies | No of other Committees Membership | No of other Committees Chairmanship |
|---------|--|--------------------------|--------------------------------|---------------------------|---|-----------------------------------|-------------------------------------|
| 1.      | Shri Jitendra K. Vakharia<br>Managing Director | ED (P)                   | 5                              | Yes                       | 5   | -----                             | -----                               |
| 2.      | Smt. Varsh J. Vakharia                         | NED (P)                  | 5                              | Yes                       | 5   | -----                             | -----                               |
| 3.      | Shri Dinesh P. Turakhia                        | NED (I)                  | 6                              | Yes                       | NIL   | -----                             | -----                               |
| 4.      | Shri Kamlesh Sanghavi                          | NED (I)                  | 6                              | Yes                       | 1   | -----                             | -----                               |

ED(P) - Executive Director, Promoter, NED (P) - Non Executive Director, Promoter, NED (I) -- Non Executive Director, Independent \* Including Directorships in Private Limited Companies  
Shri Jitendra K. Vakharia and Smt. Varsha J. Vakharia are related to each other

### 3. Audit Committee

During the Financial Year 2009-2010, 4 meetings of the committee were held as under:-  
30<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 26<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010.

Details of composition of the committee and attendance of the members are given below:-

| Sr. No. | Name                      | Designation | Category | No of Meetings Attended |
|---------|---------------------------|-------------|----------|-------------------------|
| 1)      | Shri Dinesh P. Turakhia   | Chairman    | NED (I)  | 4                       |
| 2)      | Shri Jitendra K. Vakharia | Member      | ED (P)   | 4                       |
| 3)      | Shri Kamlesh C. Sanghavi  | Member      | NED (I)  | 4                       |

The powers and terms of reference of the committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956,

### 4. Remuneration of Directors

The remuneration committee of the Board comprises 3 Directors namely, Shri Dinesh P. Turakhia – Chairman, Shri Kamlesh C. Sanghavi – Member and Smt. Varsha J. Vakharia – Member. One meeting of Remuneration Committee was held on 30<sup>th</sup> June 2009 which was attended by all three members. The term of reference of the Committee are as specified in Schedule XIII of the Companies Act 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The Managing Directors remuneration details for the financial year 2009-2010 are given below:-

| Name                      | Salary           | Commission | Perquisites | Total             | Tenure of years |
|---------------------------|------------------|------------|-------------|-------------------|-----------------|
| Shri Jitendra K. Vakharia | Rs.240000/- p.a. | -----      | -----       | Rs. 240000/- p.a. | 2               |

Notice period for the Managing Director is as applicable to the senior employee of the company. No service fee is payable to the Director on termination of employment. The Company does not have a scheme of stock options for the Directors or employees.

The sitting fees paid for the financial year ended 31<sup>st</sup> March 2010 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

Shri D.P. Turakhia Rs.3000/-. Shri K.C. Sanghavi Rs.3000/- and Smt. Varsha J. Vakharia Rs.2500/-.

The number of equity shares of the company held by non-executive Directors as on 31<sup>st</sup> March 2010 are as follows:-

Shri D.P. Turakhia 500 equity shares, Shri K.C. Sanghavi - NIL and Smt. Vasha J. Vakharia 273320 equity shares.



## 5. Shareholders/Investors Grievances Committee

During the year Share Transfer Committee held 10 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 13<sup>th</sup> March, 2010. The Composition of the Committee is as under:-

| Sr. No. | Name                      | Designation | Category |
|---------|---------------------------|-------------|----------|
| 1.      | Shri Jitendra K. Vakharia | Member      | ED (P)   |
| 2.      | Smt. Varsha J. Vakharia   | Member      | NED (P)  |
| 3.      | Shri Dinesh P. Turakhia   | Chairman    | NED (I)  |

Committee has the power to look into the redressal of shareholders/investors complaints such as non receipt of shares sent for transfer, non receipt of dividend/Annual Reports etc.

The Secretarial Department of the Company, under the supervision of Shri Ashok C. Jain, who is also Nominated as the compliance officer as required by SEBI/Listing Agreement and M/s. Sharex Dynamic (India) Pvt. Ltd., Registrar & Share Transfer Agents, attends to all shareholders / Investors Grievances received directly or through SEBI, Stock Exchanges, Department of Corporate Affairs and Registrar of Companies.

The total number of complaints received from the Shareholders were one. All letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were no requests pending for dematerialisation as on 31<sup>st</sup> March 2010.

## 6. General Body Meetings

Details of Location, Date and Time of the Annual General Meetings held during the last three years

| Financial Year | Venue  | Date & Time                                   |
|----------------|--|---|
| 2008-2009      | 67, Regent Chambers,<br>208, Nariman Point,<br>Mumbai – 400 021. | 28 <sup>rd</sup> August 2009<br>at 11.30 A.M. |
| 2007-2008      | 67, Regent Chambers,<br>208, Nariman Point,<br>Mumbai – 400 021. | 23 <sup>rd</sup> August 2008<br>at 4 .30 P.M. |
| 2006-2007      | 67, Regent Chambers,<br>208, Nariman Point,<br>Mumbai – 400 021. | 14 <sup>th</sup> August 2007<br>at 4 P.M.     |

### Special Resolutions passed in previous 3 Annual General Meetings with requisite majority

|       | AGM Date                     | Matter   |
|-------|------------------------------|--|
| (i)   | 28 <sup>th</sup> August 2009 | Reappointment of Shri Jitendra K. Vakharia as Managing Director for 2 years  |
| (ii)  | 23 <sup>rd</sup> August 2008 | Nil  |
| (iii) | 14 <sup>th</sup> August 2007 | (a) Reappointment of Shri Jitendra K.Vakharia as Managing Director for 2 years.<br><br>(b) Commencement of business relating to Information Technology Enabled Services. |

**Postal Ballot**

Ordinary Resolution u/s. 293(1)(a) of the Companies Act 1956 for sale, lease, transfer and/or otherwise dispose off company's closed manufacturing unit with building located at Mota Pondha, Taluka Kaprada, Valsad was passed by means of Postal Ballot on 24<sup>th</sup> October 2009. The Postal Ballot exercise was conducted by Shri M.M. Sheth, Practising Company Secretary. There were 2162989 (99.93%) votes in favour of Resolution and 1460 (0.07%) votes against the Resolution. The procedure for Postal Ballot adopted by the company was as per the provisions of S-192A read with companies (Passing of Resolution by Postal Ballot) Rules 2001.

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

**7. Disclosures**

There were no materially significant related party transactions which has potential conflict with the interest of the Company at large.

The Company has complied with most of the requirements of the Listing Agreements with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during last 3 years.

Company has complied with most of the applicable mandatory requirements of clause 49 and company has Constituted a Remuneration Committee which is a non-mandatory requirement.

**8. Means of Communication**

The quarterly results of the Company are published in the following newspapers:  
Free Press Journal (English) and Nav Shakti (Marathi).

**9. General Shareholder Information**

Detailed Information in this regard is provided in the "Information for Shareholders" section, appearing in the Annual Report.

**10. Information on Directors**

Information relating to Director seeking reappointment as required under clause 49(I V) (G) of the Listing Agreement is given in the notice of Annual General Meeting.

**11. Declaration by the Managing Director**

Declaration by the Managing Director under clause 49(1) (D)(ii) of the Listing Agreement is given below:-

"Pursuant to Clause 49 (1) (D) (ii) of the listing agreement with the Stock Exchanges, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March 2010."

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Everlon Synthetics Limited  
67, Regent Chambers,  
Nariman Point,  
**Mumbai – 400 021.**

We have examined the compliance of conditions of corporate governance by Everlon Synthetics Limited, for the year ended 31<sup>st</sup> March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **POLADIA & CO.,**  
**CHARTERED ACCOUNTANTS**  
**(FIRM REGN NO. 128274W)**

Sd/-

**P.T. POLADIA**  
**PROPRIETOR**  
**M.NO. 38757**

Place: Mumbai

Dated: 28<sup>th</sup> May 2010

## Information for Shareholders

### 1. Annual General Meeting:-

Day, Date & Time : Saturday 14<sup>th</sup> August 2010, at 11.30 A.M.

Venue: 67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.

### 2. Financial Year : 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011

### 3. Book Closure Dates on account of Annual General Meeting:

Friday 6<sup>th</sup> August 2010 to Saturday 14<sup>th</sup> August 2010 (Both days inclusive)

### 4. Listing of Shares on Stock Exchange

The equity shares of the company are listed on Mumbai and Ahmedabad Stock Exchange. The Company's application for voluntary delisting of its Equity Shares from Ahmedabad Stock Exchange is still pending with Ahmedabad Stock Exchange. The Annual Listing Fees for the year has been paid to the Mumbai Stock Exchange.

### 5. Stock Codes

| Name of the Stock Exchange   | Stock Code |
|------------------------------|------------|
| The Stock Exchange, Mumbai   | 514358     |
| The Ahmedabad Stock Exchange | 16730      |

### 6. Market Price Data

Share prices during the year 2009-10 for one equity share of Rs.10/- each are as under:-

| Month           | Share Price (Rs.) |       |
|-----------------|-------------------|-------|
|                 | High              | Low   |
| April, 2009     | 8.98              | 5.20  |
| May, 2009       | 12.00             | 8.25  |
| June, 2009      | 13.00             | 10.60 |
| July, 2009      | 11.20             | 8.00  |
| August, 2009    | 8.82              | 7.41  |
| September, 2009 | 9.79              | 8.28  |
| October, 2009   | 10.80             | 9.42  |
| November, 2009  | 11.40             | 9.00  |
| December, 2009  | 11.60             | 9.00  |
| January, 2010   | 10.70             | 8.79  |
| February, 2010  | 11.55             | 9.00  |
| March, 2010     | 13.27             | 10.45 |

## 7. REGISTRAR AND SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.  
17/B, Dena Bank Building,  
2<sup>nd</sup> Floor, Fort,  
Mumbai – 400 001.

Tel: 2270 2485/ 2264 1376

Fax: 2264 1349 E-mail : sharexindia@vsnl.com

## 8. Share Transfer System

The Company has appointed M/s. Sharex Dynamic (India) Pvt.Ltd., as its Registrar and Share Transfer Agent. Presently the share transfers which are received in physical form are processed and the share certificates duly transferred are returned generally within 30 days from the date of the receipt, subject to the documents being valid and complete in all respects.

## 9. Insider Trading Regulations:

The Company has framed a Code of Internal procedures and conduct for prevention of Insider Trading on the lines of model code specified by SEBI.

## 10. Distribution of Shareholding as on 31<sup>st</sup> March 2010

| Size of Holdings | No of Holders | % of Holders  | No. of Shares  | % of Shares    |
|------------------|---------------|---------------|----------------|----------------|
| Upto 100         | 573           | 18.30         | 50294          | 1.00           |
| 101 to 200       | 1527          | 48.75         | 304279         | 6.03           |
| 201 to 500       | 609           | 19.44         | 241716         | 4.79           |
| 501 to 1000      | 223           | 7.12          | 181748         | 3.60           |
| 1001 to 5000     | 136           | 4.34          | 311504         | 6.17           |
| 5001 to 10000    | 29            | 0.93          | 236658         | 4.69           |
| 10001 to 100000  | 21            | 0.67          | 765168         | 15.17          |
| 100001 to Above  | 14            | 0.45          | 2954233        | 58.55          |
| <b>Total</b>     | <b>3132</b>   | <b>100.00</b> | <b>5045600</b> | <b>100.00%</b> |

## Shareholding Pattern As on 31<sup>st</sup> March 2010

| Category                 | No. of Shares held | % of Shareholding |
|--------------------------|--------------------|-------------------|
| Indian Promoters         | 2520992            | 49.964            |
| Banks                    | 300                | 00.006            |
| Private Corporate Bodies | 83936              | 1.664             |
| Indian Public            | 1822715            | 36.124            |
| NRI's / OCB's            | 617657             | 12.241            |
| <b>Total</b>             | <b>5045600</b>     | <b>100%</b>       |

**11. Dematerialisation of Shares & liquidity**

As at 31<sup>st</sup> March, 2010, 83.60% of total equity shares of the company were held in dematerialized form with National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are required to be compulsorily traded in the dematerialisation form. The shares are available for dematerialisation under ISIN INE 339D01018. The request for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

**12. Outstanding GDRs/ ADRs/Warrants/Convertible Instruments :**

Company has no outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

**13. Plant Locations :**

Plot No.265/7/1, Opp. Blue Star Ltd.,  
Demni Road, Dadra – 396 191 (D. & N.H.)

**14. Address for correspondence**

Registered Office  
67, Regent Chambers,  
208, Nariman Point,  
Mumbai – 400 021.

Tel: 2204 9233, 2204 2788

Fax: (022) 2287 0540

Email: everlon@rediffmail.com

**EVERLON SYNTHETICS LIMITED**

**DIRECTOR'S REPORT**

To,  
The Members,

The Board of Directors present the 21st Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010 along with the cash flow statements:

1. **OPERATIONS AND FINANCIAL RESULTS**

|   | Year Ended<br>31/03/2010<br>(Rs. In Lacs) | Year Ended<br>31/03/2009<br>(Rs. in Lacs) |
|---|---|---|
| Sales   | 799.30                                    | 1612.09                                   |
| Other Income  | 108.51                                    | 13.82                                     |
| Profit / (Loss)/for the year before Depreciation & Tax      | 139.81                                    | 52.39                                     |
| Less : Depreciation   | 39.16                                     | 45.89                                     |
| Profit/(Loss) before Tax                                    | 100.65                                    | 6.50                                      |
| Less : Provision for Tax                                    | 2.25                                      | 0.90                                      |
| Profit after tax  | 98.40                                     | 5.60                                      |
| Add/(Less): Provision for Diminution in value of Investment | 0.16                                      | (0.73)                                    |
| Less: Prior Period adjustment                               | 0.00                                      | 1.30                                      |
| Profit/ (loss) for the year                                 | 98.56                                     | 3.57                                      |
| Loss Brought forward from previous year                     | (503.30)                                  | (506.87)                                  |
|   | -----                                     | -----                                     |
| Profit/ (Loss) carried to Balance Sheet                     | (404.74)                                  | (503.30)                                  |
|   | =====                                     | =====                                     |

2. **PERFORMANCE**

During the year, the company has produced 875.10 tons against 1896.73 tons during the previous year resulting in sales turnover of Rs. 799.30 lacs as against Rs. 1612.09 lacs during the previous year. During the year under review the company had undertaken job work activities and hence the sales have been reduced.

In terms of approval granted by members by passing necessary Resolution by means of Postal Ballot, company has disposed off its closed manufacturing unit situated at Mota Pondha in the month of November 2009.

3. **DIVIDEND**

Directors do not recommend any dividend due to the accumulated losses suffered by the company.

4. **DIRECTORS**

Shri Dinesh P. Turakhia retires by rotation and being eligible offers himself for reappointment.

5. **AUDITORS**

M/s. Poladia & Co. Chartered Accountant have given their consent for re-appointment for Financial Year 2010-2011. Members are requested to re-appoint them.

6. **PARTICULARS OF EMPLOYEES**

There is no employee in respect of whom information u/s. 217 (2A) of the Companies Act, 1956 is required to be given.

7. **DIRECTORS RESPONSIBILITY STATEMENT U/S. 217 ( 2AA)**

It is hereby confirmed that in respect of Financial Year ended on 31/03/2010.

- a) In the preparation of annual accounts, the applicable accounting standards have been followed.
- b) The Directors have 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 the financial year ended on 31/03/2010 and of the profit of the company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

8. **AUDITORS REPORT**

Auditors notes and observations are self explanatory and do not call for any further comments.

9. **CORPORATE GOVERNANCE**

Pursuant to clause 49 of The Listing Agreement with the Stock Exchange, Mumbai, a management Discussion and Analysis Report, Corporate Governance Report and Auditors Certificate regarding compliance of Corporate Governance are made a part of the Annual Report.

10. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

The Statement giving particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is Annexed hereto as Annexure 1.

11. **DEPOSITS**

The Company has not accepted any Deposits from the Public.

12. **ACKNOWLEDGEMENT**

The Directors wish to place on record appreciation for the efforts put in by all the employees of the Company.

**For and on Behalf of the Board of Directors**

Place: Mumbai  
Dated: 28<sup>th</sup> May 2010

Sd/-

Sd/-

**J. K. Vakharia**  
**Managing Director**

**V. J. Vakharia**  
**Director**



**ANNEXURE 1 TO DIRECTOR'S REPORT 2009-2010**

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year.

**I. CONSERVATION OF ENERGY :**

a. Conservation Measures taken:

The Company is regularly making efforts for enhancement in capacity utilization, cost competitiveness and quality improvement of products. Utilities are being combined for effective energy conservation.

b. Additional investment and proposals, if any, being implemented for reduction in consumption of energy:

. Studies to reduce energy consumption of existing units are going on.

c. Impact of the measures (a) & (b) above for reduction of Energy Consumption and consequential impact on the cost of Production of goods:

The Company is making efforts to save the cost of power. The Company is constantly investigating avenues for cost saving as an on-going process.

**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM 'A' OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF:**

| <b>A. <u>POWER AND FUEL CONSUMPTION:</u></b>                      | <b>2009-2010</b> | <b>2008-2009</b> |
|---|------------------|------------------|
| 1. Electricity  |                  |                  |
| (a) Purchases Units (Lacs)  | 22.16            | 24.19            |
| Total Amounts (Rs. in lacs)                                       | 87.98            | 92.85            |
| Rate per Unit (Rs.)   | 3.97             | 3.75             |
| (b) Own Generation:   |                  |                  |
| Through Diesel Generator  |                  |                  |
| Units (in lacs)   | ---              | ---              |
| Units per Ltr. of Diesel Oil                                      | ---              | ---              |
| Cost per Units (Rs.)  | ---              | ---              |
| 2. Coal   | ---              | ---              |
| 3. Furnace Oil  | ---              | ---              |
| 4. Other / Internal Generation Steam                              | ---              | ---              |
| <b>B. <u>CONSUMPTION PER UNIT OF PRODUCTION :</u></b>             |                  |                  |
| .... (Product : Polyester Texturised Yarn)                        |                  |                  |
| (Product : Polyester Texturised Yarn<br>& Polyester Twisted Yarn) |                  |                  |
| 1. Electricity (Unit per M.T.)                                    | 1212             | 1307             |
| 2. Coal (Kg)  | ----             | ---              |
| 3. Furnance Oil Liter   | ----             | ---              |
| 4. Steam (Tons)   | ----             | ---              |

**II. TECHNOLOGY ABSORPTION :**  
**EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM B OF THE ANNEXURE TO THE RULES.**

1. **Research & Development (R & D)** NIL AT PRESENT
2. **Technology Absorption adaptation and Innovation** NIL AT PRESENT

**III. FOREIGN EXCHANGE EARNINGS AND OUT GO :**

- a. Activities relating to exports initiative taken to increase export markets for products and services and export plan. ) NOT APPLICABLE  
)  
)
- b. Total Foreign exchange used and earned :
- |  |      |      |
|--|------|------|
| 1. Expenditure in Foreign Currency           | Nil  | Nil  |
| 2. Value of Import on CIF basis (Rs.in Lacs) | ---  | 2.20 |
| 3. F.O.B. Value of exports (Rs.in Lacs)      | 0.69 | 1.52 |

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

- A. **Industry Outlook**  
 Due to weak consumer sentiments, the company had to face immense pressure on pricing thereby effecting the top line and the bottom line of the company.
- B. **Opportunities**  
 The present economic scenario has given opportunities to your company.
- C. **Segment**  
 The Company has only one Reporting Segment namely, Textiles.
- D. **Risk And Concerns**  
 Some of the challenges faced by the textile company are increase in raw material price, prospects of high domestic inflation and high interest rates.
- E. **Internal Control Systems**  
 The Management also reviews the control systems and procedures periodically to upgrade them.
- F. **Performance**  
 Financial performance, with respect to operational performance is elaborated in Directors report.
- G. **Industrial Relations**  
 Harmonious industrial relations continue to prevail during the year. Total number of employees as on 31<sup>st</sup> March, 2010 were 21.

## AUDITORS' REPORT

To,  
The Members of  
EVERLON SYNTHETICS LIMITED

- 1) We have audited the attached Balance Sheet of EVERLON SYNTHETICS LIMITED as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account and the Cash Flow Statement 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 have 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 misstatements. 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 of our opinion.
- 3) As required by Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order:-
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the above books of account.
  - d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
  - e) In our opinion and as per information and according to the explanations given to us, no Director is disqualified from being appointed as director under clause (g) of subsection (1) of section 274.
  - f) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - i) In the case of the Balance Sheet, of the state of affairs of the Company, as at 31<sup>st</sup> March 2010.
    - ii) In the case of the Profit and Loss Account, of the Profit of the year ended on that date, and
    - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**(FIRM REGN NO. 128274W)**

Sd/-

**P.T. POLADIA**  
**PROPRIETOR**  
**M NO.38757**

Place: Mumbai.  
Dated: 28/05/2010

**EVERLON SYNTHETICS LIMITED**  
**ACCOUNTING YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

**ANNEXURE TO THE AUDITOR'S REPORT**

**REFERRED TO PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:**

- i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of the assets. According to information furnished to us no material discrepancies have been noticed on such verification.
  - c) The Fixed Assets disposed off during the year, in our opinion do not constitute a substantial part of the Company and such disposal in our opinion, not affected the going concern status of the Company.
- ii)
  - a) The inventory have been physically verified by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and books were not material and have been properly dealt with in the books of account.
- iii)
  - a) The Company has taken loan from one company covered in register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.194.05 lacs. The company has not given any loans during the year to parties covered in the register maintained u/s.301 of Companies Act, 1956.
  - b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, 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) There has been no conditions stipulated as regards to repayment of principal and interest.
- iv) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to Purchase of Inventory, Fixed Assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
- v) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (v) (b) of the Order is not applicable.
- vi) The Company has not accepted any deposits from public.
- vii) The Company does not have any internal audit system.
- viii) We have broadly reviewed, without carrying out a detailed examination, the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made detailed examination of the records with a view to determining whether they are accurate or complete.
- ix)
  - a) According to the records and as per information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed amount of provident fund, employee state insurance, income tax, sales tax, custom duty, cess and other 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, custom duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2010, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, except mentioned in Note 6 of Schedule 'M'.
- x) In our opinion, the accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses during the current financial year and not incurred cash losses during the immediately preceding financial year.
- xi) The Company has not taken loans from financial institution or has not issued debentures to any party, hence the question of default in repayment does not arise.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not chit/nidhi/mutual benefit fund/society and clause 4 (xiii) of the Order is not applicable.
- xiv) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- xv) On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has not raised any new term loan from banks. There is no term loans outstanding at the beginning of the year.
- xvii) According to the information and explanations given to us and on overall examination of the balance sheet and other records of the Company, we are of the opinion that funds, raised on short-term basis have not, prima facie, been used for long term investment and vice versa.
- xviii) During the year, the Company has not made preferential allotment of shares to a party covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company did not have any outstanding debentures during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has not been noticed or reported during the course of our audit.

For **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**(FIRM REGN NO. 128274W)**

Sd/-  
**P. T. POLADIA**  
**PROPRIETOR**  
**M.NO.38757**

Place : Mumbai

Dated: 28/05/2010

**EVERLON SYNTHETICS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2010**

|   | sch | As on<br>31st March, 2010<br>Rs. in '000 | As on<br>31st March, 2009<br>Rs. In '000 |
|---|-----|--|--|
| <b>SOURCES OF FUNDS:</b>                                  |     |  |  |
| SHAREHOLDER'S FUNDS:                                      |     |  |  |
| Capital   | A   | 50487                                    | 50487                                    |
| Reserves & Surplus  | B   | 18877                                    | 18877                                    |
|   |     | 69364                                    | 69364                                    |
| LOAN FUNDS:   |     |  |  |
| Unsecured Loans   | C   | 25727                                    | 25397                                    |
| <b>TOTAL FUNDS EMPLOYED</b>                               |     | <b>95091</b>                             | <b>94761</b>                             |
| <b>APPLICATION OF FUNDS:</b>                              |     |  |  |
| <b>FIXED ASSETS</b>                                       |     |  |  |
| Gross Block   | D   | 56941                                    | 67650                                    |
| Less: Depreciation  |     | 29472                                    | 35663                                    |
| NET BLOCK   |     | 27469                                    | 31987                                    |
| <b>INVESTMENTS:</b>                                       | E   | 687                                      | 671                                      |
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>             | F   |  |  |
| Inventories   |     | 9699                                     | 7999                                     |
| Sundry Debtors  |     | 17386                                    | 17915                                    |
| Cash & Bank Balances                                      |     | 2898                                     | 2790                                     |
| Loans & Advances  |     | 3321                                     | 3705                                     |
|   |     | 33304                                    | 32409                                    |
| <b>LESS : CURRENT LIABILITIES &amp; PROVISIONS :</b>      | G   | 6843                                     | 20635                                    |
| NET CURRENT ASSETS  |     | 26461                                    | 11774                                    |
| PROFIT & LOSS ACCOUNT                                     |     | 40474                                    | 50329                                    |
| <b>TOTAL APPLICATION OF FUNDS</b>                         |     | <b>95091</b>                             | <b>94761</b>                             |
| Notes forming part of the Accounts<br>Accounting Policies | M   |  |  |

As per our report of even date  
for **POLADIA & CO.**

**CHARTERED ACCOUNTANTS**  
(FIRM REGN NO.128274W)

Sd/-  
**P. T. POLADIA**  
(PROPRIETOR)  
M.No.38757

Place : Mumbai  
Date : 28/05/2010

For and on behalf of the  
Board of Directors

Sd/-  
**J. K. Vakharia**  
Managing Director

Sd/-  
**V. J. Vakharia**  
Director

**EVERLON SYNTHETICS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.**

| sch  | As on<br>31st March, 2010<br>Rs. in '000 | As on<br>31st March, 2009<br>Rs. In '000 |
|--|--|--|
| <b>Sales &amp; Services</b>                                      | 79930                                    | 161209                                   |
| Other Income   | <b>H</b> 10851                           | 1383                                     |
| Increase /(Decrease) In Stock                                    | <b>I</b> (2006)                          | (3778)                                   |
|  | 88775                                    | 158814                                   |
| <b>Expenditure :</b>   |  |  |
| Manufacturing Expenses   | <b>J</b> 69444                           | 150022                                   |
| Sales/Administration &<br>Other Expenses                         | <b>K</b> 1511                            | 2386                                     |
| Interest   | <b>L</b> 3839                            | 1166                                     |
|  | 74794                                    | 153574                                   |
| Net Profit/Loss before Exceptional<br>Income, Depreciation & Tax | 13981                                    | 5239                                     |
| ( Less ) : Depreciation  | (3916)                                   | (4589)                                   |
| <b>Profit/(Loss) before tax</b>                                  | 10065                                    | 650                                      |
| (Less) :Provision for current tax                                | (225)                                    | (90)                                     |
| <b>Profit/(Loss) after tax</b>                                   | 9840                                     | 560                                      |
| Add/(Less):Prior Period Adjustments                              | 0  | (130)                                    |
| Add/(Less):Provision for<br>Dim.in Value of Investment W/Back    | 16                                       | (73)                                     |
| <b>Profit/(Loss) for the year</b>                                | 9856                                     | 357                                      |
| Profit/(Loss) brought forward<br>from previous year              | (50330)                                  | (50687)                                  |
| <b>Profit/(Loss) C/F to Balance Sheet</b>                        | (40474)                                  | (50330)                                  |
| Notes forming part of the Accounts,<br>Accounting Policies       | <b>M</b>                                 |  |

As per our report of even date  
for **POLADIA & CO**  
**CHARTERED ACCOUNTANTS**  
(FIRM REGN NO.128274W)

Sd/-  
**P. T. POLADIA**  
(PROPRIETOR)  
M.No.38757

For and on behalf of the  
Board of Directors

Sd/-

**J. K. Vakharia**  
Managing Director

Sd/-

**V. J. Vakharia**  
Director

Place : Mumbai  
Date : 28/05/2010

|  | 2009-2010<br>Rs. in '000 | 2008-2009<br>Rs. in '000 |
|--|--------------------------|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>               |                          |                          |
| Net profit/(loss) before Tax and Extraordinary items         | 10065                    | 650                      |
| <b>Adjustment for :</b>                                      |                          |                          |
| Depreciation   | 3916                     | 4589                     |
| (Profit) / Loss on Sale of Assets (Net)                      | (9932)                   | (335)                    |
| Dividend Received  | (27)                     | (14)                     |
| Interest Paid  | 3839                     | 1166                     |
| (Profit)/Loss on sale of Investments (Net)                   | 0                        | (38)                     |
| (Profit)/Loss on sale of Shares (Net)                        | (471)                    | 0                        |
| Operating profit before working capital charges              | <u>7390</u>              | <u>6018</u>              |
| <b>Adjustment for :</b>                                      |                          |                          |
| Trade and Other Receivables                                  | 914                      | (14076)                  |
| Inventories  | (1700)                   | 5857                     |
| Trade Payable  | (14018)                  | 1290                     |
| NET CASH USED FROM OPERATING ACTIVITIES                      | <u>(7414)</u>            | <u>(911)</u>             |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>              |                          |                          |
| Purchase of Fixed Assets                                     | (704)                    | (1836)                   |
| Sale of Fixed Assets   | 1307                     | 852                      |
| (Increase)/Decrease in Investments                           | (16)                     | 72                       |
| Dividend Received  | 27                       | 14                       |
| Exceptional Income   | 16                       | 0                        |
| Profit on sale of Assets (Net)                               | 9931                     | 335                      |
| Profit/ (Loss) on sale of Investment (Net)                   | 0                        | 38                       |
| Profit/ (Loss) on sale of Shares (Net)                       | 471                      | 0                        |
| NET CASH USED FROM INVESTING ACTIVITIES                      | <u>11032</u>             | <u>(525)</u>             |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>              |                          |                          |
| Proceeds from Short Term Loans                               | 329                      | 2642                     |
| Interest Paid  | (3839)                   | (1166)                   |
| NET CASH FROM INVESTING ACTIVITIES                           | <u>(3510)</u>            | <u>1476</u>              |
| Increase/ (Decrease) in Cash and Cash Equivalents<br>(A+B+C) | <u>108</u>               | <u>40</u>                |
| CASH & CASH EQUIVALENTS :-                                   |                          |                          |
| Opening Balance in the begning of the year                   | 2789                     | 2749                     |
| Closing Balance at the end of the year                       | 2897                     | 2789                     |
| NET INCREASE/(DECREASE) IN CASH & CASH<br>EQUIVALENTS        | <u>108</u>               | <u>40</u>                |

As per our Report of even date

FOR POLADIA & CO  
CHARTERED ACCOUNTANTS  
(FIRM REGN NO.128274W)

For and on behalf of the Board of Directors

Sd/-  
**P.T. POLADIA**  
(PROPRIETOR)  
Membership No. 38757  
Place: Mumbai  
Date : 28/05/2010

Sd/-  
**J K. Vakharia**  
Managing Director

Sd/-  
**V J. Vakharia**  
Director



| SCHEDULES FORMING PART OF BALANCE SHEET  | 2009-2010<br>Rs.in'000 | 2008-2009<br>Rs.in'000 |
|--|------------------------|------------------------|
| <b>SCHEDULE - A</b>  |                        |                        |
| <b><u>SHARE CAPITAL</u></b>  |                        |                        |
| AUTHORISED:  |                        |                        |
| 60,00,000 Equity Shares of Rs.10/- each<br>(Previous year 60,00,000 equity shares<br>of Rs.10/- each )                             | 60000                  | 60000                  |
|  | <u>60000</u>           | <u>60000</u>           |
| ISSUED   |                        |                        |
| 50,50,800 Equity Shares of Rs.10/- each<br>(Previous year 50,50,800 Equity Shares<br>of Rs.10/- each                               | 50508                  | 50508                  |
|  | <u>50508</u>           | <u>50508</u>           |
| SUBSCRIBED AND PAID UP   |                        |                        |
| 50,45,600 Equity Shares of Rs.10/- each<br>fully paid up(Previous year<br>50,45,600 equity shares of<br>Rs.10/- each fully paid up | 50456                  | 50456                  |
| Add:Paid up value of Shares<br>Forfeited (5200 Equity<br>Shares of Rs.10/- each)   | 31                     | 31                     |
| <b>TOTAL</b>   | <u>50487</u>           | <u>50487</u>           |
| <b>SCHEDULE - B</b>  |                        |                        |
| <b><u>RESERVE AND SURPLUS:</u></b>   |                        |                        |
| Capital Reserve  | 18877                  | 18877                  |
| Balance as per last Balance Sheet  |                        |                        |
| Add : Addition during the year   | 0                      | 0                      |
| <b>TOTAL</b>   | <u>18877</u>           | <u>18877</u>           |
| <b>SCHEDULE - 'C'</b>  |                        |                        |
| <b><u>UNSECURED LOANS:</u></b>   |                        |                        |
| Loans received from a Pvt.Ltd Company  | 15980                  | 18215                  |
| Overdraft facility from Bank<br>(Secured by Pledge of Fixed Deposits<br>of the Company & Directors)                                | 9746                   | 7182                   |
| <b>TOTAL</b>   | <u>25726</u>           | <u>25397</u>           |

**EVERLON SYNTHETICS LIMITED**

ACCOUNTING YEAR ENDED : 31ST MARCH, 2010.

**SCHEDULE ' D '****FIXED ASSETS:**

(Rs.in '000)

| Sr. No.                    | Particulars         | <----- GROSS BLOCK -----> |             |              |                   | ----- DEPRECIATION ----- |                      |              |                     | <----- NET BLOCK -----> |                   |
|----------------------------|---------------------|---------------------------|-------------|--------------|-------------------|--------------------------|----------------------|--------------|---------------------|-------------------------|-------------------|
|                            |                     | Balance on<br>01.04.2009  | Addition    | Dedu.        | Total<br>31.03.10 | Balance<br>01.04.2009    | Dep. For<br>the year | Dedu.        | Total<br>31.03.2010 | As on<br>31.03.10       | As on<br>31.03.09 |
| 1                          | Land                | 2383                      | 0           | 304          | 2079              | 0                        | 0                    | 0            | 0                   | 2079                    | 2383              |
| 2                          | Buildings           | 25085                     | 40          | 11110        | 14015             | 17443                    | 666                  | 10108        | 8001                | 6014                    | 7642              |
| 3                          | Plant & Machinery   | 35030                     | 0           | 0            | 35030             | 15315                    | 2957                 | 0            | 18273               | 16757                   | 19715             |
| 4                          | Electrical Install. | 4051                      | 0           | 0            | 4051              | 2111                     | 194                  | 0            | 2305                | 1746                    | 1940              |
| 5                          | Testing Equipments  | 171                       | 0           | 0            | 171               | 166                      | 1                    | 0            | 167                 | 4                       | 4                 |
| 6                          | Vehicle             | 25                        | 623         | 0            | 648               | 22                       | 47                   | 0            | 69                  | 579                     | 2                 |
| 7                          | Furniture & Fixture | 399                       | 0           | 0            | 399               | 146                      | 25                   | 0            | 171                 | 228                     | 254               |
| 8                          | Computer            | 445                       | 41          | 0            | 486               | 431                      | 21                   | 0            | 452                 | 34                      | 14                |
| 9                          | Office Equipments   | 62                        | 0           | 0            | 62                | 29                       | 5                    | 0            | 34                  | 28                      | 33                |
| <b>Total Rs.</b>           |                     | <b>67651</b>              | <b>704</b>  | <b>11414</b> | <b>56941</b>      | <b>35663</b>             | <b>3916</b>          | <b>10108</b> | <b>29472</b>        | <b>27469</b>            | <b>31987</b>      |
| <b>Previous Year Total</b> |                     | <b>85847</b>              | <b>1836</b> | <b>20032</b> | <b>67651</b>      | <b>50254</b>             | <b>4589</b>          | <b>19180</b> | <b>35663</b>        | <b>31987</b>            | <b>35593</b>      |

**SCHEDULE 'E'****INVESTMENTS**

## QUOTED INVESTMENTS:(LONG TERM )

| Paid up                           | Name  | 31/03/2010   |                    | 31/03/2009   |                    |
|-----------------------------------|---|--------------|--------------------|--------------|--------------------|
| Value per Share/Deb.              |   | No.of Shares | Amount (Rs.in'000) | No.of Shares | Amount (Rs.in'000) |
| (A)                               | Equity Shares                               |              |                    |              |                    |
| 10                                | BUBNA MAJOR BIOTECH LTD.                    | 3900         | 39                 | 3900         | 39                 |
| 10                                | BETA NAPHTHOL LTD                           | 3400         | 0                  | 3400         | 0                  |
| 10                                | JAIN SPINNERS LTD.                          | 3300         | 52                 | 3300         | 52                 |
| 10                                | MAXWORTH COUNTRY (I) LTD.                   | 3600         | 36                 | 3600         | 36                 |
| 10                                | MIDEAST INT.STEELS LTD.                     | 4000         | 80                 | 4000         | 80                 |
| 10                                | MIDPOINT SOFTWARE SYST                      | 200          | 2                  | 200          | 2                  |
| 10                                | MUKERIAN PAPERS LTD.                        | 50           | 2                  | 50           | 2                  |
| 10                                | NEPC TEXTILES LTD.                          | 754          | 14                 | 754          | 14                 |
| 10                                | PARASARAMPURIA SYNTH. LTD.                  | 10000        | 50                 | 10000        | 50                 |
| 10                                | SANGHI POLYESTER LTD.                       | 13200        | 1115               | 13200        | 1115               |
| 10                                | SHREE SYNTHETICS LTD.                       | 20           | 5                  | 20           | 5                  |
| 10                                | SWISS JERSY LTD.                            | 4400         | 44                 | 4400         | 44                 |
| 10                                | UNIMODE OVERSEAS LTD.                       | 1300         | 13                 | 1300         | 13                 |
| 10                                | VENTRON POLYMERS LTD.                       | 15200        | 152                | 15200        | 152                |
| 10                                | WESTERN INDIA IND.LTD.                      | 1500         | 90                 | 1500         | 90                 |
| 10                                | YULF FINANCE & LEASING LTD.                 | 2700         | 27                 | 2700         | 27                 |
|                                   | TOTAL ( A )                                 |              | 1721               |              | 1721               |
|                                   | Provision for diminution in value of shares |              | (1684)             |              | -1700              |
|                                   |   |              | 37.00              |              | 21                 |
| ( B )                             | UNQUOTED EQUITY                             |              |                    |              |                    |
|                                   | Omsai Exports P.Ltd.                        |              | 650.00             |              | 650                |
|                                   | Total ( B )                                 |              | 650.00             |              | 650                |
| GRAND TOTAL :- (A + B )           |   |              | 687.00             |              | 671                |
| Total Cost of Unquoted Investment |   |              | 650                |              | 650                |
| Total Cost of Quoted Investment   |   |              | 1721               |              | 1721               |
| Market Value of Quoted Investment |   |              | 37                 |              | 21                 |

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**SCHEDULE 'F'****A. CURRENT ASSETS, LOANS & ADVANCES**

|  | 2009-2010<br>(Rs.in'000) | 2008-2009<br>(Rs.in'000) |
|--|--------------------------|--------------------------|
| 1 INVENTORIES:                                     |                          |                          |
| (As valued, taken and certified by the management) |                          |                          |
| Raw Materials                                      | 2266                     | 1938                     |
| Consumable Stores & Spares                         | 800                      | 526                      |
| Stock in Process                                   | 1392                     | 938                      |
| Finished Goods                                     | 836                      | 3296                     |
| Stock of shares                                    | 4405                     | 1301                     |
|  | 9699                     | 7999                     |
| 2 SUNDRY DEBTORS:                                  |                          |                          |
| (Unsecured considered goods)                       |                          |                          |
| Outstanding for more than six months               | 5702                     | 3588                     |
| Others   | 11683                    | 14327                    |
|  | 17385                    | 17915                    |
| 3 CASH AND BANK BALANCES:                          |                          |                          |
| Cash on Hand                                       | 66                       | 129                      |
| Current account with Scheduled Banks               | 123                      | 55                       |
| In Deposits with Scheduled Banks                   | 2709                     | 2605                     |
| <b>TOTAL</b>                                       | <b>2898</b>              | <b>2789</b>              |

B. LOANS AND ADVANCES:

(Unsecured, considered goods unless stated otherwise)

|  |             |  |             |
|--|-------------|--|-------------|
| 1. Interest Accrued But Not Due                                    | 48          |  | 109         |
| 2. Advances Recoverable in cash or in kind or value to be received | 2933        |  | 2698        |
| 3. Taxes Paid in Advance   | 125         |  | 486         |
| 4. Other Deposits  | 215         |  | 412         |
| <b>TOTAL</b>   | <u>3321</u> |  | <u>3705</u> |

**SCHEDULE 'G'**

**CURRENT LIABILITIES AND PROVISIONS:**

CURRENT LIABILITIES:

Sundry Creditors

|   |             |      |              |
|---|-------------|------|--------------|
| 1. Due to Micro, Small & Medium Enterprise. | 0           |      | 0            |
| 2. Others                                   | <u>3674</u> | 3674 | <u>18495</u> |
|   |             |      | 18495        |

|                                  |  |      |   |
|----------------------------------|--|------|---|
| Advances Received from Customers |  | 1300 | 0 |
|----------------------------------|--|------|---|

Other Liabilities & Provisions

|                       |      |             |              |
|-----------------------|------|-------------|--------------|
| Provision for Taxes   | 315  |             | 511          |
| Statutory Liabilities | 29   |             | 88           |
| Other Liabilities     | 1525 |             | 1541         |
| <b>TOTAL</b>          |      | <u>1869</u> | <u>2140</u>  |
|                       |      | <u>6843</u> | <u>20635</u> |

| SCHEDULE FORMING PART OF PROFIT & LOSS A/C | 2009-2010<br>(Rs.in'000) | 2008-2009<br>(Rs.in'000) |
|--|--------------------------|--------------------------|
| <b>SCHEDULE ' H '</b>                      |                          |                          |
| <b><u>OTHER INCOME:</u></b>                |                          |                          |
| Interest                                   | 232                      | 222                      |
| Miscellaneous Income                       | 41                       | 724                      |
| Sundry Bal. W/off                          | 0                        | 51                       |
| Profit on sale of Shares                   | 603                      | 38                       |
| Share Trading Profit (Speculation)         | 16                       | 0                        |
| Profit on sale of Assets                   | 9932                     | 334                      |
| Dividend recd                              | 27                       | 14                       |
|  | <u>10851</u>             | <u>1383</u>              |

|  |               |               |
|--|---------------|---------------|
| <b>SCHEDULE ' I '</b>                        |               |               |
| <b><u>INCREASE/(DECREASE) IN STOCKS:</u></b> |               |               |
| OPENING STOCK                                |               |               |
| Stock in Process                             | 938           | 3015          |
| Finished Goods                               | 3296          | 4997          |
|  | <u>4234</u>   | <u>8012</u>   |
| LESS:CLOSING STOCK                           |               |               |
| Stock in Process                             | 1392          | 938           |
| Finished Goods                               | 836           | 3296          |
|  | <u>2228</u>   | <u>4234</u>   |
| <b>TOTAL</b>                                 | <u>(2006)</u> | <u>(3778)</u> |

|                                       |              |               |
|---------------------------------------|--------------|---------------|
| <b>SCHEDULE ' J '</b>                 |              |               |
| <b><u>MANUFACTURING EXPENSES:</u></b> |              |               |
| MATERIAL CONSUMED (YARN)              |              |               |
| Opening Stock                         | 1938         | 3903          |
| Add: Purchases                        | 59801        | 125961        |
|                                       | <u>61739</u> | <u>129864</u> |
| Less: Closing Stock                   | 2267         | 1938          |
| Total (A)                             | <u>59472</u> | <u>127926</u> |

|  |             |             |
|--|-------------|-------------|
| <b><u>CONSUMABLES, STORES AND SPARES</u></b> |             |             |
| Opening Stock                                | 292         | 334         |
| Add: Purchases                               | 4384        | 7939        |
|  | <u>4676</u> | <u>8273</u> |
| Less: Closing Stock                          | 522         | 292         |
| Total (B)                                    | <u>4154</u> | <u>7981</u> |

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| SCHEDULE FORMING PART OF PROFIT & LOSS A/C | 2009-2010<br>(Rs.in'000) | 2008-2009<br>(Rs.in'000) |
|--|--------------------------|--------------------------|
| <b>FACTORY OVERHEADS</b>                   |                          |                          |
| Factory Wages & Allowances                 | 567                      | 1244                     |
| Power & Fuel                               | 3936                     | 9285                     |
| Security Charges                           | 161                      | 332                      |
| Freight & Transport Charges                | 279                      | 836                      |
| Job Work Charges Paid                      | 210                      | 927                      |
| Packing Charges/Loading & Unloading        | 227                      | 531                      |
| Repairs & Maintenance                      | 438                      | 960                      |
| Total (C)                                  | <u>5818</u>              | <u>14115</u>             |
| <b>GRAND TOTAL ( A+B+C)</b>                | <u>69444</u>             | <u>150022</u>            |

**SCHEDULE 'K'****SALES ADMINISTRATION & OTHER EXPENSES:****OFFICE & ADMINISTRATION EXPENSES**

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Salaries and Allowances              | 177         | 369         |
| Provident Fund                       | 119         | 117         |
| Legal & Professional Charges         | 67          | 183         |
| Conveyance & Travelling Expenses     | 9           | 159         |
| Staff Welfare Expenses               | 42          | 80          |
| Postage,Telegram & Telephone Charges | 76          | 229         |
| Vehicle Expenses                     | 53          | 22          |
| Filing & Registration Charges        | 2           | 1           |
| Printing and Stationery              | 21          | 58          |
| Miscellaneous Expenses               | 175         | 346         |
| Auditor's Remuneration               | 50          | 50          |
| Managing Director Remuneration       | 240         | 240         |
| Director Sitting Fees                | 8           | 7           |
| Insurance Charges                    | 63          | 37          |
| Bank Charges & Commission            | 76          | 169         |
| Gratuity Paid                        | 55          | 64          |
| Loss on sale of shares               | 149         | 50          |
| Rent,Rates & Taxes                   | 0           | 23          |
| TOTAL ( A )                          | <u>1382</u> | <u>2204</u> |

**SALES AND DISTRIBUTION EXPENSES:**

|                 |             |             |
|-----------------|-------------|-------------|
| Commission      | 129         | 182         |
| TOTAL ( B )     | <u>129</u>  | <u>182</u>  |
| TOTAL ( A + B ) | <u>1511</u> | <u>2386</u> |

**SCHEDULE 'L'****INTEREST**

|                   |             |             |
|-------------------|-------------|-------------|
| Interest (Others) | 2642        | 708         |
| Bank Interest     | 1197        | 458         |
|                   | <u>3839</u> | <u>1166</u> |

## **SCHEDULE ' M'**

NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES:

### **01. ACCOUNTING POLICIES:**

a) Recognition of Income and Expenditure:

The Accounts are prepared on accrual basis.

b) Fixed Assets and Depreciation:

I) Fixed Assets includes all expenditure of Capital nature and are stated at cost of acquisition, installation and commissioning less depreciation. Fixed Assets are stated at historical cost.

II) Depreciation on Fixed Assets other than Land is provided as per written down value method of Income Tax Act, 1961, which is not lower than minimum rates prescribed under schedule XIV of Companies Act in case of following Assets:-

1. Computer 60%

and in case of following assets, depreciation rates are lower than minimum prescribed rates:-

1. Furniture & Fixtures 10%

2. Vehicles 15%

3. Plant & Machinery 15%

4. Electrical Installation 10%

5. Air Conditioning 15%

6. Testing Equipment 15%

7. Office Equipment 15%

III) No Depreciation has been provided on assets sold/discarded during the year

c) Investments:

Investments are valued at cost inclusive of expenses incidental to their acquisition. Investments meant for long term are carried at cost and any diminution in value of permanent nature are provided for in accounts.

d) Valuation of Inventories:

1) Raw Materials, Consumable, : At Cost and other expenditure incurred inclusive of excise duty to bring the inventories to its present location and conditions.  
Cost is determined on FIFO basis.

2) Work-in-progress : At Cost of material and labour together with relevant factory overheads.

3) Finished Goods : At Cost of material and labour together with relevant factory overheads ( inclusive of excise duty ) or net realisable value whichever is lower

4) Stock of Shares : At cost

e) Impairment of Assets:

If internal /external indications suggest that an asset of the company may be impaired, the recoverable amount of asset/ cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/ cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use of such assets/ cash generating unit, which is determined by the present value of the estimated future Cash Flows.

f) Provision for Retirement Benefits:

Provision for gratuity is made in accounts assuming that all the employee retire at the end of the year. However, actuarial valuation not carried out by the company.

g) Contingent Liabilities:

Contingent liabilities are not provided for in the accounts and are disclosed separately in Notes on Accounts

**02. Segment Results**

During the year Company has only one reportable segment, i.e. manufacturing of Polyester Texturised & Twisted yarn. Hence separate segment report as required under accounting standard 17 is not presented.

**03. Related Party Disclosures ( As identified by the Management)**

## 1. Related Party Relationships

|  |                             |
|--|-----------------------------|
| ( a ) Where control exists                 | Everest Yarn Agency Pvt.Ltd |
| ( b ) Key Management Personnel             | Mr. Jitendra K. Vakharia    |
| ( c ) Relative of Key Management Personnel | Mrs. Varsha J. Vakharia     |
| ( d ) Other related Parties                | Nil                         |



## 2. Transactions with Related Parties

(Rs. in '000)

| Type of Parties      | Description of the nature of the transaction | Volume of Trans. | 2009-10     |         | Volume of Trans. | 2008-09     |         |
|----------------------|--|------------------|-------------|---------|------------------|-------------|---------|
|                      |  |                  | Outstanding |         |                  | Outstanding |         |
|                      |  | 2009-10          | Receivable  | Payable | 2008-09          | Receivable  | Payable |
| Where Control Exists | Loans  | 11817            | -----       | 15980   | 9720             | -----       | 18215   |
|                      | Director's Remuneration and Sitting Fees     | 248              | -----       | -----   | 247              | -----       | -----   |

## 04. Earning per share

|  | <b>Year Ended<br/>March 2010</b> | <b>Year Ended<br/>March 2009</b> |
|--|----------------------------------|----------------------------------|
| Profit / (Loss) attributable to the equity shareholders (Rs. in '000)  | 9856                             | 357                              |
| Number of Equity Shares Outstanding during the year.                   | 5045600                          | 5045600                          |
| Nominal value of Equity Shares (Rs.)                                   | 10                               | 10                               |
| Basic/diluted earnings per share (Rs.)<br>(with exceptional Income)    | 1.95                             | 0.07                             |
| Basic/diluted earnings per share (Rs.)<br>(without exceptional Income) | 1.95                             | 0.07                             |

05. The Company has not recognised "Deferred Tax Assets" as required by Accounting Standard 22. Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India as Company is not certain that sufficient taxable income will be available against which such "Deferred Tax Assets" can be realised.

06. Information (required) in terms of paragraph 4 (ix) (b) of the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India in respect of disputed Excise Duty, Service Tax and Income Tax not deposited as on 31<sup>st</sup> March 2010 are as follows :

| Sr. No. | Nature of Dues & Name of the Status  | Forum where Disputed                          | Amount (Rs. in '000) |
|---------|--------------------------------------|---|----------------------|
| 1.      | Central Excise (Central Excise 1944) | Commissioner (adju.) of Central Excise        | 95                   |
| 2.      | Central Excise (Central Excise 1944) | Commissioner of Central Excise (adjudication) | 44445                |

|   |                   |                   |
|---|-------------------|-------------------|
| 07. Break up of Repairs and Maintenance :   | <b>31/03/2010</b> | <b>31/03/2009</b> |
|   | (Rs.in '000)      | (Rs.in '000)      |
| For Plant and Machineries   | 308               | 512               |
| For Others  | 130               | 448               |
|   | -----             | -----             |
|   | 438               | 960               |
|   | =====             | =====             |
| 08. Auditors Remuneration is Rs.70000/-<br>(Previous year Rs.70000/-) included in Profit and Loss | <b>31/03/2010</b> | <b>31/03/2009</b> |
|   | (Rs.in '000)      | (Rs.in '000)      |
| Account is made up of:  |                   |                   |
| Audit Fees  | 40                | 40                |
| Tax Audit Fees  | 10                | 10                |
| Certification Work  | 10                | 10                |
| Taxation Matters  | 10                | 10                |
|   | -----             | -----             |
|   | 70                | 70                |
|   | =====             | =====             |

09. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the same value as stated in the Balance Sheet if realised in the ordinary course of business.

## 10. Contingent Liabilities: -

- 1) On Partly paid equity shares Rs.50,000/- (Previous Year Rs.50,000/-)
- 2) Excise Duty claim not acknowledged as Debt Rs. 445.40 Lacs (Previous Year Rs.445.40 Lacs)
- 3) Income Tax demand raised by Income Tax Department for various years Rs.Nil (previous years Rs.207.59 lacs).

11. There are no Micro, Small and Medium Enterprises, as defined in Micro, Small, Medium Enterprises Development Act, 2006 to whom the Company owes on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

12. The information required under paragraph 3 & 4 of part II of Schedule VI of Company's Act 1956 (As certified by the management) to the extent applicable are as under.

**A) Licensed & Installed Capacity**

**I) Licensed Capacity**

**a) Dadra Unit**

The company has obtained Registration from Department of Industrial Development, Secretariat for Industrial Approvals, Entrepreneurial Assistance Unit of Ministry of Industry Government of India for: Manufacture of 4140 tons of Polyester Texturised Yarn and Polyester Twisted Yarn.

## II) Installed Capacity:-

a) **Dadra Unit**

- I) Two Draw Texturising Machine of 312 spindles each (Previous Year Two Draw Texturising Machines of 312 spindles each) having a capacity of 2160 tons per annum.
- II) Four Twisting Machines of 360 spindles each. (Previous Year four twisting machines) having a capacity of 80 Denier/300 TPM – 240 tons per annum.

Note: Installed capacities are certified by management and relied upon the Auditor without verification same being a technical matter.

## B) Major Raw Material Consumed : (Indigenous 100%)

&lt; ----- 2009-2010 ----- &gt;

&lt; ----- 2008-2009----- &gt;

| Item                              | Unit | Quantity                 | Value (Rs)<br>(Rs.in '000) | Quantity                  | Value (Rs)<br>(Rs.in '000) |
|-----------------------------------|------|--------------------------|----------------------------|---------------------------|----------------------------|
| Polyester<br>Filament<br>Yarn/PTY |      |                          |                            |                           |                            |
| Yarn                              | Tons | 823.34                   | 59472                      | 1805.15                   | 127926                     |
|                                   |      | -----<br>823.34<br>----- | -----<br>59472<br>-----    | -----<br>1805.15<br>----- | -----<br>127926<br>-----   |

## C) Turnover and Stock

&lt; ----- 2009-2010 ----- &gt;

&lt; ----- 2008-2009 ----- &gt;

|            | Unit | Quantity                 | Value (Rs)<br>(Rs.in '000) | Quantity                  | Value (Rs)<br>(Rs.in '000) |
|------------|------|--------------------------|----------------------------|---------------------------|----------------------------|
| Sales(Net) | Tons | 908.21                   | 77230                      | 1912.59                   | 161209                     |
|            |      | -----<br>908.21<br>----- | -----<br>77230<br>-----    | -----<br>1912.59<br>----- | -----<br>161209<br>-----   |

Opening Stock of Finished Goods:  
Class of Goods:  
Own Manufactured

| < ----- 2009-2010 ----- >               |          |                            | < ----- 2008-2009 ----- > |                            |       |
|---|----------|----------------------------|---------------------------|----------------------------|-------|
| Unit                                    | Quantity | Value (Rs)<br>(Rs.in '000) | Quantity                  | Value (Rs)<br>(Rs.in '000) |       |
| Polyester<br>Texturised<br>Twisted Yarn | Tons     | 42                         | 3296                      | 58                         | 4997  |
|   |          | -----                      | -----                     | -----                      | ----- |
|   |          | 42                         | 3296                      | 58                         | 4997  |
|   |          | -----                      | -----                     | -----                      | ----- |

Closing Stock of Finished Goods:  
Class of Goods  
Own Manufactured

| < ----- 2009-2010 ----- >               |          |                            | < ----- 2008-2009 ----- > |                            |       |
|---|----------|----------------------------|---------------------------|----------------------------|-------|
| Unit                                    | Quantity | Value (Rs)<br>(Rs.in '000) | Quantity                  | Value (Rs)<br>(Rs.in '000) |       |
| Polyester<br>Texturised<br>Twisted Yarn | Tons     | 96                         | 836                       | 43                         | 3296  |
|   |          | -----                      | -----                     | -----                      | ----- |
|   |          | 96                         | 836                       | 43                         | 3296  |
|   |          | -----                      | -----                     | -----                      | ----- |

| D | Production  | Unit | 2009-2010       | 2008-2009       |
|---|---|------|-----------------|-----------------|
|   | Class of Goods  | Tons | <u>Quantity</u> | <u>Quantity</u> |
|   | Own Manufactured<br>Polyester<br>Texturised / Twisted<br>Fancy Yarn |      | 875             | 1897            |

|  | 2009-2010<br>(Rs.in '000) | 2008-2009<br>(Rs in '000) |
|--|---------------------------|---------------------------|
| Value of Import on CIF Basis                                       | 0                         | 220                       |
| F.O.B. Value of Exports  | 69                        | 152                       |
| Expenditure, Earning and<br>remittance in foreign Currency         | NIL                       | NIL                       |
| Estimated amount of contracts<br>remains to be executed on capital |                           |                           |

13. Sundry debtors and creditors are subject to confirmation
14. Previous year's figures have been regrouped, rearranged or recast wherever considered necessary, so as to make them comparable with current year figures.
15. The information required under PART-IV of schedule VI of Companies Act, 1956 (As certified by the management) to the extent applicable are as under:

**Balance sheet Abstract and company's Business Profile**

Registration Details:

I Registration No. 11/52747 State Code: 11  
Balance Sheet Date: 31/03/2010

II Capital raised during the year (Amount in Rs.Thousands)

Public Issue: NIL Right Issue : NIL  
Bonus Issue: NIL Private Placement : NIL

III Position of Mobilisation and Deployment of funds  
(Amount Rs. in Thousands)

Total Liabilities : 95091 Total Assets : 95091

Sources of Funds

Paid up Capital : 50487 Reserves & Surplus : 18877

Secured Loans : ----- Unsecured Loans : 25727

Application of funds

Net Fixed Assets : 27469 Investment : 687

Net Current Assets : 26461

Accumulated Losses : 40474

IV. Performance of Company (Amount Rs. in Thousands)

Sales & Other Income : 88775 Total Expenditure : 74794

Before Tax : 10065 After Tax : 9840

Earning per share : 1.95 Dividend Rate : Nil

V Generic Names of Principal Products (as per monetary terms)

Item Code No. 540202 (ITC Code)

Product Description Polyester Texturised Yarn and Polyester Twisted Yarn

**SIGNATURE TO SCHEDULE 'A' TO 'M'**

As per our report of even date  
for **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**(FIRM REGN NO. 128274W)**

Sd/-

**P.T. POLADIA**  
**(PROPRIETOR)**  
M. No. 38757

For and on behalf of the  
Board of Directors

Sd/-

**J. K. VAKHARIA**  
**MANAGING DIRECTOR**

Sd/-

Place : Mumbai  
Date : 28/05/2010

**V. J. VAKHARIA**  
**DIRECTOR**