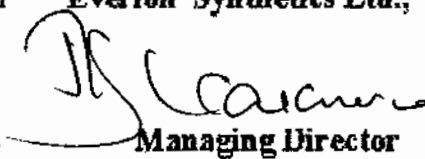
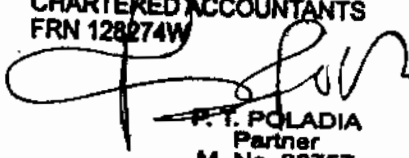



# Everlon Synthetics Ltd.

Regd. Office :  
67, Regent Chambers,  
Nariman Point, Mumbai - 400 021.  
Tel. : 2204 9233, 2204 2788  
Fax : (022) 2287 0540

CIN No. : L17297MH1989PLC052747      FORM A

Format of covering of the annual audit report for the year ending  
31st March 2014 with the Mumbai Stock Exchange

1	Name of the Company	Everlon Synthetics Limited
2	Annual financial statements for the year ended	31st March 2014
3	Type of Audit observation	Un-qualified / Matter of Emphasis - Nil
4	Frequency of observation	Whether appeared first time ...../ repetitive...../ since how long period ..... NOT APPLICABLE
5	To be signed by-	
	Managing Director	For Everlon Synthetics Ltd.,  Managing Director
	Auditor of the company	FOR POLADDIA & CO. CHARTERED ACCOUNTANTS FRN 128274W  P. T. POLADIA Partner M. No. 38757
	Audit Committee Chairman	For Everlon Synthetics Ltd.,  Chairman of Audit Committee

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

BOOK-POST

To,

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**EVERLON SYNTHETICS LIMITED**  
Registered Office :  
67, Regent Chambers,  
208, Nariman Point,  
Mumbai - 400 021.

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# **EVERLON SYNTHETICS LIMITED**

*25th  
Annual Report  
2013-2014*

EVERLON SYNTHETICS LIMITED

(CIN: L17297MH1989PLC052747)

ACCOUNTING YEAR ENDED 31st MARCH 2014

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**EVERLON SYNTHETICS LIMITED**

CIN L17297MH1989PLC052747

**BOARD OF DIRECTORS**

SHRI JITENDRA K. VAKHARIA (DIN 00047777)	MANAGING DIRECTOR
SMT VARSHA J. VAKHARIA (DIN00052361)	DIRECTOR
SHRI DINESH P. TURAKHIA (DIN00063927)	DIRECTOR
SHRI KAMLESH C. SANGHAVI (DIN00644642)	DIRECTOR

**AUDITORS****M/s. POLADIA & COMPANY**

(Chartered Accountants)

C-81, Anant Chhaya, 353/3 R B Mehta Marg  
Ghatkopar (E), MUMBAI – 400 077.**BANKERS**JANATA SAHAKHARI BANK LTD., PUNE  
INDIAN OVERSEAS BANK  
IDBI BANK**REGISTERED OFFICE**67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.  
E-Mail: everlon@rediffmail.com • www.everlon.in**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.  
Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road,  
Andheri (E), Mumbai – 400 072.  
Tel: 2851 5606/ 2851 5644 • Fax: 2851 2885  
E-mail: sharexindia@vsnl.com**NOTICE**

Notice is hereby given that the Twenty-fifth Annual General Meeting of the Shareholders of EVERLON SYNTHETICS LIMITED (CIN : L17297MH1989PLC052747) will be held on Thursday, 21st August, 2014, at Kilachand Conference Room, 3rd Floor, Indian Merchants Chambers, Churchgate, Mumbai - 400 020 at 3.00 p. m. to transact the following business:

**ORDINARY BUSINESS**

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Audited Statement of Profit and Loss Account for the year ended 31st March, 2014 and the Report of the Directors and the Auditors thereon.
- To appoint a Director in place of Mrs. Varsha J. Vakharia who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint M/s. POLADIA & CO. (ICAI Regn.No.128274W), Chartered Accountants as Statutory Auditors and to fix their remuneration

**SPECIAL BUSINESS**

- To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of Section 61 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013, the Authorised Share Capital of the Company be increased from Rs. 6,00,00,000/- (Rupee six Crores Only) divided into 6,00,00,000 (Six Crores Only) Equity Shares of Rs.1/- each to Rs. 10,00,00,000 (Rupees Ten Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 1/- each by creation of 4,00,00,000 (Four Crores) Equity Shares of Rs.1/- ranking pari passu with the existing equity share in all respects

“RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to pursue the matter and to perform all necessary acts, deeds and things to give effect to above resolution.”

- To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of Section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013, Capital Clause V of the Memorandum of Association of the Company be deleted and in its place the following clause V be substituted:

**Clause V**

The Authorised Share Capital of the Company is Rs. 10, 00, 00,000 (Rupees Ten Crores Only) divided into 10, 00, 00,000 (Ten Crores) Equity Shares of Re. 1/- each” Capable of being increased or reduced in accordance with the company's regulations and legislative provisions for the time being in force in that behalf and also with the power to increase and reduce the said capital of the Company and to divide the said shares in the capital for The time being into several classes and to attach thereto respectively the said preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Article of Associations of the company for the time being and to vary, modified,

or abrogate such rights, privileges or conditions. In such manner as may be permitted by Law or provided by the Article of Association for the time being of the company.

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, if any the Articles of Association of the Company, be and are hereby altered by deleting existing Article No.3 and substituting in its place following Article No. 3:

3. The Authorised Share Capital of the company is Rs.10, 00, 00,000 (Rupees Ten Crores) divided into 10, 00, 00,000 (Ten Crores) Equity Shares of Re.1/- (Rupee one only) each.

7. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of Companies Act, 2013 if any and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Dinesh P. Turakhia (DIN: 00063927) in respect of whom the company has received notice U/s 160 of the Act with necessary deposit proposing his candidature for office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March 2019”

8. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of Companies Act, 2013 if any and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of listing Agreement Mr. Kamlesh C. Sanghavi (DIN: 00644642) in respect of whom the company has received notice U/s 160 of the Act with necessary deposit proposing his candidature for office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March 2019”

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Equity Shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges,

expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs. 50 Crores or the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, whichever is higher”.

10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013, if any the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, subject to requisite approvals, if any, as may be required from any of the concerned authorities to borrow money, from time to time, at its discretion either from the Company's bankers or any other bank, financial institution or any other lending institutions or persons (including Foreign Institutional Investors, Non Resident Individuals, Associations and Corporate Bodies) on such terms and conditions as may be considered suitable by the Board upto a limit not exceeding in the aggregate Rs.50 Crores (Rupees Fifty Crores only) notwithstanding that the money to be borrowed together with the money's already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit”.

**By order of the Board of Directors**

**For Everlon Synthetics Limited**

— sd —

**(J. K. Vakharia )**

**Managing Director**

**Din :- 00047777**

**Place :- Mumbai**

**Date :- 30<sup>th</sup> May 2014**

**NOTES1.**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. A Proxy shall not have the right to speak at the meeting and shall not be entitled to vote at the meeting except on a poll.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 wherever applicable is attached and forms part of this Notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday 13th August, 2014 to Thursday 21st August, 2014 (both days inclusive).
- 5 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., Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai – 400 072. 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 at least 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.
- 6 Green Initiative for Paperless Communications:-  
The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. In accordance with recent circular bearing no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs (MCA), Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.
- 7 Disclosure under Clause 5A (II)  
Certain share certificates were returned undelivered, when Registrars and Share Transfer Agents posted Share Certificates in December 2012 of the changed face value of Re.1/- each on account of Demerger of Investment business of the company.  
The company is in the process of finalizing details of unclaimed shares in consultation with companies registrar and shares transfer agent M/s Sharex Dynamic India Private Limited.
- 8 As per the said MCA circular, the Company is attaching herewith E-Communication Registration Form /letter to Equity shareholders for providing advance opportunity to register their e-mail address with the Company or Depository Participant and changes therein from time to time.  
This is an opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.  
Equity Shareholders holding shares in physical form can avail the said facility to enable the Company to send the notice/documents through electronic mode. They should download the form from the Company's website (www.everlon.in) and forward the same to Company's Registrar and transfer agents i.e. Sharex Dynamic (India) Pvt.Ltd., Unit: Everlon Synthetics Ltd., Unit-1, Luthra Ind.Premises, Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai. – 400 072. Tel: 2851 5506 / 2851 5644, Fax No: 2851 2855. The Shareholders holding shares in demat mode can register their e-mail address with their Depository Participant, in the event they have not done so earlier for receiving notices/documents through Electronic mode.

**EXPLANATORY STATEMENT****(Pursuant to Section 102 of the Companies Act, 2013)**

The following explanatory statement sets out the material facts relating to Item No.4 to 11 of the Notice.

**ITEM NO. 4, 5 and 6**

Considering the present and future requirement of funds for the purpose of business of the company, it is proposed to increase the Authorised Share Capital from the existing Re. 6,00,00,000 to Re 10,00,00,000 divided in to 10,00,00,000 Equity Shares of Re.1/- each by creation of 4,00,00,000 Equity shares of Re.1/- each. The necessary special resolution is proposed at item No. 4 of the Notice for your approval

Consequent to increase in Authorised Share Capital of the Company the Capital clause V as appearing in the Memorandum of Association of the Company and Article no 3 of the Articles of the Association will also get changed and hence the necessary resolutions are proposed at item No. 5 and 6 of the Notice for your approval.

The Members are requested to pass these resolutions in the best interests of the Company.

Boards recommend the Special resolutions at item no 4, 5 & 6 for approval of members

None of other Directors, Key Managerial Personnel or their relatives are concerned or interested in these resolutions.

**ITEM NO. 7 and 8**

Mr. Dinesh Turakhia and Mr. Kamlesh Sanghavi are Independent Directors of the Company. They have vast experience and are experts in their respective fields. They both are also the committee Members of Audit committee, and Remuneration Committee of the company. In addition Mr. Dinesh Turakhia is also member of Shareholder / Investors Grievances Committee of the company

In the opinion of the Board these Directors fulfill the conditions of Companies Act, 2013 and rules thereunder for their appointment as Independent Directors of the Company and are independent of the Promoter of the Company. Copy of the draft of Letter of appointment to be issued to them is available for inspection at the registered office of the Company without any fee to Members of the Company.

The company has received notice in writing from members of the company with necessary deposits proposing candidature of Mr.Dinesh P.Turakhia and Mr.Kamlesh C.Sanghavi as directors of the company.

The Board recommends these resolutions as mentioned at item No. 7 & 8 of the Notice for approval of members

Except Mr. Dinesh Turakhia and Mr. Kamlesh Sanghavi none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested in these resolutions. The Explanatory Statement may be regarded as disclosure under Clause 49 of the Listing Agreement with the stock exchange.

**ITEM NO. 9 and 10**

As per the new provisions of the Companies Act, 2013 every Company is required to pass the resolutions under Section 180 of the Companies Act, 2013 for creation of charge on the assets of the Company and also for borrowing in excess of paid up capital and free reserves of the Company. The resolutions passed under the erstwhile provisions of Companies Act, 1956 are valid till 12th September, 2014. In view of same your Directors propose the Special resolutions under Section 180 (1) (a) and Section 180 (1) (c) of the Companies Act, 2013.

It is proposed to authorised Board of Directors to borrow funds for the purpose of business of the company upto Re.50.00 Crores (Rupees Fifty Crores) and also to create charge/ mortgage/ etc in favor of banks / financial institution/ lenders

The Special Resolutions under Item Nos. 9 & 10 are for obtaining the consent of the shareholders for this purpose. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within a reasonable limit.

The Board recommends the Special Resolutions at item no 9 and 10 for approval of members

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in these resolutions.

**By order of the Board of Directors  
For Everlon Synthetics Limited**

— sd —  
**(J. K. Vakharia )  
Director  
Din :- 00047777**

**Place :- Mumbai  
Date :- 30<sup>th</sup> May 2014**

**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	<b>Smt. Varsha J. Vakharia (DIN : - 00052361)</b>
B.	Date of Birth	25/08/1958
C.	Date of Appointment	29/10/1999
D.	Expertise in specific Functional areas	General Administration since last 10 years
E.	Qualifications	M.A.
F.	Name of Companies in which Directorship held as on 31st March 2014	Vakharia Power Infrastructure Ltd., Vakharia Synthetics Pvt.Ltd., Omkar Texolene Pvt.Ltd, Vakharia Financial Services Ltd., Everlon Solar Energy Pvt. Ltd., Everlon Power Ltd., Everest Yarn Agency Pvt.Ltd,
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 2014.	---- NIL ----
H.	No. of equity shares of Rs.1/- each of the company held as on 31 <sup>st</sup> March 2014	16, 39,920
I.	Inter-se Relations Among Directors	She is related to Shri Jitendra K. Vakharia, Managing Director of the company

**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 Kamlesh C. Sanghvi (Din 00644642)	Shri Dinesh P. Turakhia (Din 00063927)
B.	Date of Birth	17/12/1959	25/09/1942
C.	Date of Appointment	31/07/2006	06/12/2002
D.	Expertise in specific functional areas	28 years in profession	25 years experience in Yarn Business
E.	Qualifications	Chartered Accountants	D.E.E.
F.	Name of Companies in which Directorship held as on 31st March 2014	Kans Trading Co. Pvt. Ltd. Vakharia Power Infrastructure Ltd. Assets Resolutions Services India Private Ltd.	Vakharia Power Infrastructure Ltd.
G.	Chairman / Member of the Committees Board of the other Companies on which he is a Directors as on 31st March 2014	Nil	Nil
H.	No. of equity shares or Rs. 1/- each of the company held as on 31st March 2014	Nil	3000
I.	Inter-se Relations Among Directors	---	---

## 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 2013-2014, 4 Board Meetings were held on 30th May 2013, 10th August 2013, 28th October 2013 and 4th January 2014.

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 31st March, '14) in other * companies	No of other Committees Membership	No of other Committees Chairmanship
1	<b>Shri Jitendra K. Vakharia</b> (Din :- 00047777)	ED (P)	4	Yes	7	----	----
2	<b>Smt. Varsha J. Vakharia</b> (Din :- 00052361)	NED (P)	4	Yes	7	----	----
3	<b>Shri Dinesh P. Turakhia</b> (Din :- (00063927)	NED (I)	4	Yes	1	----	----
4	<b>Shri Kamlesh Sanghavi</b> (Din :- 00644642)	NED (I)	4	Yes	3	----	----

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 2013-2014, 4 meetings of the committee were held as under:-

30th May 2013, 10th August 2013, 28th October 2013 and 4th January 2014.

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. The Committee's composition meets requirements of Section 177 of Companies Act 2013 and Clause 49 of the Listing Agreement.

### 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. No meeting of Remuneration Committee was held during the financial year, as there were no matters requiring approval of the committee. The Committee has been renamed as Nomination and Remuneration Committee as required u/s. 178 of the Companies Act 2013. The Committee's constitution and terms of reference are in compliance with the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges. The Managing Directors remuneration details for the financial year 2013-2014 are given below:-

Name of the Director	Salary	Commission	Perquisites	Total (years)	Tenure
Shri Jitendra K.Vakharia	Rs.480000/-p.a.	--	--	Rs.480000/p.a.	5 years from 01/10/2011

Notice period for the Managing Director is as applicable to the senior employee of the company. No severance 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 31st March 2014 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

Shri Dinesh P.Turakhia -Rs.2000/-, Shri Kamlesh .C. Sanghavi - Rs.2000/- and Smt. Varsha J.Vakharia-Rs. 2000/-.

The number of equity shares of the company held by non-executive Directors as on 31st March 2014 are as follows:-

Shri Dinesh .P. Turakhia holds 3000 equity shares,

Shri Kamlesh .C. Sanghavi - NIL

Smt. Vasha J. Vakharia holds 1639920 equity shares

### 5. Shareholders/Investors Grievances Committee

During the year Share Transfer Committee held 13 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 8th March, 2014. The Composition of the Committee is as under:-

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

### SEBI Complaints Redress Systems (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.



The total numbers of complaints received from the Shareholders were nil. There were no requests pending for dematerialisation as on 31st March 2014. The Committee has been renamed as Stakeholders Relationship Committee U/s. 178 of the Companies Act 2013. Its terms of reference fulfils with the requirements of Clause 49 of Listing Agreement and provisions of the Companies Act 2013.

#### 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
2012-2013	67, Regent Chambers 208, Nariman Point Mumbai – 400 021.	24th August 2013 at 4.00 P.M.
2011-2012	67, Regent Chambers 208, Nariman Point Mumbai – 400 021.	25th August 2012 at 11.30 A.M.
2010-2011	67, Regent Chambers 208, Nariman Point Mumbai – 400 021.	13th August 2011 at 11.30 A.M.

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

AGM Date	Matter
24th August 2013	Nil
25th August 2012	Nil
13th August 2011	Reappointment of Shri Jitendra K.Vakharia as Managing Director for 5 years.

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).

The results will also be displayed on Company's website at [www.everlon.in](http://www.everlon.in).

#### 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 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 31st March 2014."

## 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 31st March 2014, 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**  
**PARTNER**  
**M.NO. 38757**

**Place: Mumbai**  
**Dated: 30<sup>th</sup> May, 2014**

**Information for Shareholders****1. Annual General Meeting:-**

Day, Date & Time: Thursday 21st August 2014 at 3.00 p.m.

Venue: Kilachand Conference Room, 3rd Floor, Indian Merchant Chamber, IMC Marg, Churchgate, Mumbai – 400 020

**2. Financial Year:** 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014.**3. Book Closure Dates on account of Annual General Meeting:**

Wednesday, 13<sup>th</sup> August 2014 to Thursday 21<sup>st</sup> August 2014 (Both days inclusive)

**4. Listing of Shares on Stock Exchange**

The equity shares of the company are listed on The Bombay Stock Exchange Ltd., 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 Bombay Stock Exchange Ltd.,

**5. Stock Codes**

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

**5. Market Price Data**

Share prices at Bombay Stock Exchange Ltd., during the year 2013-14 for one equity share of Re.1/- each are as under:-

Month	Share Price (Rs.)		Face Value Re.1/- each
	High	Low	
April, 2013	2.05	1.31	
May, 2013	1.86	1.32	
June, 2013	2.31	1.64	
July, 2013	1.78	1.47	
August, 2013	1.86	1.74	
September, 2013	2.01	1.85	
October, 2013	2.32	1.83	
November, 2013	2.39	1.56	
December, 2013	1.67	1.40	
January, 2014	1.34	1.22	
February, 2014	1.30	1.10	
March, 2014	1.15	1.07	

**7. REGISTRAR AND SHARE TRANSFER AGENTS**

Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Ind. Premises, Safed Pool,  
Andheri Kurla Road, Andheri (E),  
Mumbai – 400 072.  
Tel: 2851 5606/ 2851 5644  
Fax: 2851 2885 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 15 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 31st March 2014**

Size of Holdings	No of Holders	% of Holders	No. of Shares	No. of Shares
Upto 100	88	3.01	3097	0.01
101 to 200	28	0.96	4419	0.01
201 to 500	58	1.98	19672	0.06
501 to 1000	483	16.50	298980	0.99
1001 to 5000	2028	69.29	3437575	11.36
5001 to 10000	114	3.89	765993	2.53
10001 to 100000	106	3.62	3795509	9.23
100001 and Above	22	0.75	22948355	75.80
Total	2927	100.00	30273600	100.00%

**Shareholding Pattern As on 31<sup>st</sup> March 2014**

Category	No. of Shares held	% of Shareholding
Indian Promoters	17797602	58.789
Private Corporate Bodies	285036	0.942
Indian Public	9554492	31.560
NRI's / OCB's	2636470	8.709
Total	30273600	100%

**11. Dematerialisation of Shares & liquidity**

As at 31st March, 2014, 89.71% 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 dematerializations form. The shares are available for dematerialization under ISIN INE 339D01026. The request for dematerializations 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: vakinvst@gmail.com Website: - www.everlon.in

**EVERLON SYNTHETICS LIMITED**  
**DIRECTOR'S REPORT**

To,  
The Members,  
The Board of Directors present the 25th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2014 along with the cash flow statements:

**1. OPERATIONS AND FINANCIAL RESULTS**

	Year Ended 31/03/2014 (Rs. in Laks)	Year Ended 31/03/2013 (Rs. in Laks)
Sales	5339.66	4804.84
Other Income	2.76	4.93
Exceptional Items	0.00	0.00
Extraordinary Items	0.00	0.07
Profit for the year before Depreciation & Tax	61.11	53.60
Less : Depreciation	30.12	30.42
Profit before Tax	30.99	23.18
Less : Provision for Tax	6.00	4.50
Profit after tax	24.99	18.68
Add/Less: IT Provisions for earlier years	0.38	0.09
Profit for the year	25.37	18.59
Profit – (Loss) Brought forward from Previous Year	(131.67)	(265.77)
Adjustment on account of Scheme of Arrangement	0.00	115.52
Profit/ (Loss) carried to Balance Sheet	-----	-----
Profit / (Loss) Carried to Balance Sheet	(106.29)	(131.67)

**2. PERFORMANCE**

Your Company has managed to achieve reasonable good performance during the year in spite of difficult market conditions.

The company has produced 4478.05 tons against 4167.20 tons during the previous year resulting in sales turnover of Rs.5339.66 lacs as against Rs. 4804.84 lacs during the previous year.

**3. DIVIDEND**

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

**4. DIRECTORS**

Smt. Varsha J. Vakharia retires by rotation and being eligible offers herself for reappointment.

It is proposed to appoint shree Dinesh P.Turakhia and Shree Kamlesh C Sanghavi as Independent Director for a period of 5 years from 01/04/2014.They have confirmed that they meet the criteria of Independent as provided in Section 149 (6) of the Companies Act 2013

The Company has received notice from members for their appointment with necessary deposits.

**5. AUDITORS**

M/s. Poladia & Co. Chartered Accountants have given their consent for re-appointment for F. Y. 2014-2015. Members are requested to re-appoint them.

**6. PARTICULARS OF EMPLOYEES**

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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

It is hereby confirmed that in respect of Financial Year ended on 31/03/2014.

- In the preparation of annual accounts, the applicable accounting standards have been followed.
- 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 31/03/2014 and of the profit of the company for that period.
- 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.
- The Directors have prepared the Annual Accounts on a going concern basis.

**8. AUDITORS REPORT**

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

**9. CORPORATE GOVERNANCE**

Pursuant to clause 49 of The Listing Agreement with The Bombay Stock Exchange, 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. COMPLIANCE CERTIFICATE**

Compliance Certificate from a Practicing Company Secretary as required u/s.383A of the Companies Act, 1956 is attached herewith.

**13. ACKNOWLEDGEMENT**

The Directors wish to place on record appreciation for the efforts put in by all the employees of the Company. They are thankful to Company's Bankers for the support extended to the company.

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

**Place :- Mumbai**

**Date :- 30<sup>th</sup> May 2014**

— sd —  
**J.K. Vakharia**  
**Managing Director**  
**Din :- 00047777**

— sd —  
**V. J. Vakharia**  
**Director**  
**Din :- 00052361**

**ANNEXURE 1 TO DIRECTOR'S REPORT 2013-2014**

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 constantly investigating avenues for cost saving as an on-going process.

**II 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:****a POWER AND FUEL CONSUMPTION:**

	2013-2014	2012-2013
1. Electricity		
(a) Purchases Units (Lacs)	52.00	49.00
Total Amounts (Re. in lacs)	220.36	196.77
Rate per Unit (Re.)	4.23	4.01
(b) Own Generation:		
Through Diesel Generator		
Units (in lacs)	---	---
Units per Ltr. of Diesel Oil	---	---
Cost per Units (Re.)	---	---
2. Coal	---	---
3. Furnace Oil	---	---
4. Other / Internal Generation Steam	---	---

**b CONSUMPTION PER UNIT OF PRODUCTION :**

Product: Polyester Texturised Yarn)

(Product: Polyester Twisted Yarn)

1. Electricity (Unit per M.T.)	1192	1176
2. Coal (Kg)	---	---
3. Furnace Oil Liter	---	---
4. Steam (Tons)	---	---

**III. 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

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

a. Activities relating to exports initiative taken to increase ) NOT APPLICABLE  
Export markets for products and services and export )  
Plan. )

b. Total Foreign exchange used and earned:

1. Expenditure in Foreign Currency	---	---
2. Value of Import on CIF basis (Re.in Lacs)	---	---
3. F.O.B. Value of exports (Re.in Lacs)	---	---

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. Industry Outlook:-**

Presently, there is a Sustainable capacity of expansion by the consumer of poly texturised yarn mainly in the knitting and weaving section which will be result in better off take and sale realization of the company product.

**B. Opportunities:-**

During the current year the Indian Economy is likely to improve substantially which will result in healthy growth and better performance of the Textile Industry.

**C. Segment:-**

The company has only one reporting segment, namely Textiles.

**D. Risk and Concerns:-**

Margins in the polyester industries, were impacted is due to rise in raw material prices and increase in the wages and electricity charges,

**E. Internal Control Systems:-**

The management also reviews the control systems and procedures periodically to upgrade them.

**F. Performance:-**

During the Financial Year the company has recorded sales of Rs. 53.39 crores against sales of Rs. 48.04 crores of the previous year

**G. Industrial Relations:-**

Harmonious industrial relations continue to prevail during the year. Total numbers of employees as on 31st March, 2014 were 23

**Cautionary Statement:-**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

**M. M. SHETH**  
Proprietor

**COMPLIANCE CERTIFICATE**

To  
The Members,  
**Everlon Synthetics Ltd.**

**CIN: L17297MH1989PLC052747**  
Nominal Capital: Rs. 6 Crores

We have examined the registers, records, books and papers of M/s. Everlon Synthetics Ltd.(the company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of the Association of the company for the financial year ended on 31st March 2014. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1) The company has kept and maintained all the registers as stated in "Annexure A" to this certificate as per the provisions of the Act and the rules made there under and all entries there in have been duly recorded.
- 2) The company has duly filed the forms and returns as stated in "Annexure B" to this certificate with the Registrar of the Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made there under.
- 3) The company being a public limited company, comments are not required.
- 4) The Board of Directors duly met 4 (Four) times on 30.05.2013, 10.08.2013, 28.10.2013 and 04.01.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the minutes book maintained for the purpose.
- 5) The company has closed its Register of Members from 16.08.2013 to 24.08.2013 and necessary compliance of Section 154 of the Act has been made.
- 6) The annual general meeting for the financial year ended on 31st March, 2013 was held on 24.08.2013 after giving due notice to the members of the company and resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
- 7) No Extra Ordinary General meeting was held during the financial year.
- 8) The company has not advanced any loan to its Directors or persons or firms or companies referred to under section 295 of the Act, during the financial year.
- 9) The company has not entered into any contracts falling within purview of the Sec 297 of the Act.
- 10) The company has made necessary entries in the register maintained u/s 301 of the Act.
- 11) As there were no instances falling within the purview of Sec. 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
- 12) The company has not issued any duplicate share Certificate during the financial year.
13. The Company has:
  - (i) not allotted any securities and delivered all the certificates on lodgment thereof for transfer/ transmission in accordance with the provisions of the Act.
  - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the Financial year.
  - iii) not posted warrants to any member of the company as no dividend was declared during the financial year.
  - iii) no amounts lying in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon.
  - iv) duly complied with the requirements of Sec. 217 of the Act.

- 14) The Board of Directors of company is duly constituted. There was no appointment of alternate Director, additional directors and directors to fill casual vacancy during the financial year.
- 15) The company has not appointed any Managing Director/Whole Time Director / Manager during the Financial year.
- 16) The company has not appointed any sole-selling agents during the financial year.
- 17) The company was not required to obtain any approvals of Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act, during the financial year.
- 18) The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19) The company has not issued any shares, debentures or other securities during the financial year.
- 20) The company has not bought back any shares during the financial year.
- 22) There was no redemption of preference shares or debentures during the financial year.
- 23) There was no transaction necessitating the company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 24) The company has not invited / accepted any deposits falling within the purview of Sec. 58A of the Act during the financial year.
- 25) The amount borrowed by the Company from banks and others during the financial year ending 31.03.2014 are within borrowing limits of the Company.
- 26) The company has not made investments and has not given any loans or advances or guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
- 27) The company has not altered the provisions of the Memorandum with respect to situation of the company's Registered Office from one state to another during the year under scrutiny.
- 28) The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
- 29) The company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
- 30) The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
- 31) The company has not altered its Articles of Association during the financial year.
- 32) There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
- 33) The company has not received any money as security from its employees during the financial year.
- 34) The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated u/s 418 of the Act.

**For M. M. SHETH & CO.**  
Company Secretaries

— sd —

(M. M. SHETH)  
Proprietor  
C.P.No. 729 FCS 1455

Place : Mumbai  
Date : 30<sup>th</sup> May 2014

**Annexure A**  
**Registers as maintained by the company.**

Sr. No.	Particulars	Section of the Act
1	Register of Charges	U/S 143
2	Register of Members (maintained with RTA)	U/S 150
3	Register of Minutes Book of Board Meetings	U/S 193
4	Register of Minutes Book of following Committee Meetings: -Audit Committee -Remuneration Committee -Shareholders' and Investors' Grievances Committee	U/S 193
5	Register of Minutes Book of General Meetings	U/S 193
6	Register of Companies and Firms in which Directors are interested	U/S 301
7	Register of Directors, Managing Directors etc.	U/S 303
8	Register of Directors Share holdings	U/S 307
9	Register of investments or loans made, guarantee given/security provided	U/S 372A

**Other Registers**

- 1 Register of Transfers (maintained with RTA)
- 2 Register of Board Meetings Attendance
- 3 Register of General Meetings Attendance (maintained with RTA)

**Annexure B**

Forms and Returns as filed by the company with Registrar of Companies during the financial year ending on 31st March, 2014.

Sr. No.	Form No. or Return	U/S	Purpose	Date of filing	Whether in time	If delay Additional Fees paid.
1	Form 23 C	233 B	Appointment of Cost Auditor	07.06.2013	Yes	N.A.
2	Form A XBRL	233 B	Cost Audit Report	05.08.2013	Yes	N.A.
3	Form 66	383 A	Compliance Certificate for financial year ended 31.03.2013.	26.08.2013	Yes	N.A.
4	Form 20 B	159	Annual Return for AGM held on 24.08.2013	03.09.2013	Yes	N.A.
5	Form 23 AC & 23 ACA	220	Audited Accounts for the financial year ended 31.03.2013.	10.09.2013	Yes	N.A.
6	Form 8	125	Modification of charge	22.11.2013	Yes	N.A.
7	Form 8	125	Creation of Charge	24.12.2013	Yes	N.A.

Filed with Regional Director - Nil  
 Filed with Central Government - Nil  
 Filed with Company Law Board - Nil  
 Filed with Other Authorities under the Act - Nil

**For M. M. SHETH & CO.**  
(Company Secretaries)

— sd —  
**(M. M. SHETH)**  
Proprietor

**INDEPENDENT AUDITORS' REPORT**

To the Members of

**Everlon Synthetics Limited.**

We have audited the accompanying financial statements of Everlon Synthetic Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**Place : Mumbai  
Date : 30<sup>th</sup> May 2014**

— sd —  
**P.T. POLADIA  
PARTNER  
M NO.38757**

**EVERLON SYNTHETICS LIMITED**  
ACCOUNTING PERIOD ENDED 31<sup>ST</sup> MARCH, 2014

**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. 386.39 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 31st March 2014, 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 as follows:-

Sr. No	Nature of Dues & Name of the Status	Forum where Disputed	Amount (Rupees)
1.	Central Excise (Central Excise 1944)	Commissioner (adju.) of Central Excise	95,225/-
2.	Central Excise (Central Excise 1944)	Commissioner of Central Excise (adjudication)	4,44,45,043/-

- x) In our opinion, the accumulated losses of the Company at the end of the financial year are not 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 raised new term loans during the year. The outstanding term loan at the beginning of the year were applied for the purpose for which raised.
- 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  
PARTNER  
M NO.38757

Place : Mumbai  
Date : 30<sup>th</sup> May 2014

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EVERLON SYNTHETICS LIMITED  
BALANCE SHEET AS AT 31ST MARCH, 2014 (Rupees)

PARTICULARS	Note No.	Current Year As at 31 March 2014	Previous Year As at 31 March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	1	30292200	30292200
b) Reserves & Surplus	2	(10628818)	(13166764)
c) Money received against share warrants		-	-
		<u>19663382</u>	<u>17125436</u>
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non-Current Liabilities</b>			
a) Long-term Borrowings	3	33616820	39393272
b) Deferred tax liabilities		-	-
c) Other Long-term liabilities	4	77518	4332886
d) Long-term Provisions	5	1496777	2946904
		<u>35191115</u>	<u>46676062</u>
<b>4. Current Liabilities</b>			
a) Short-term Borrowings	6	39884299	31744373
b) Trade Payables	7	9713947	4168708
c) Other Current liabilities	8	2565806	3442423
d) Short-term provisions	9	600000	450000
		<u>52764052</u>	<u>39805504</u>
<b>TOTAL (1+2+3+4)</b>		<b>107618549</b>	<b>103604002</b>
<b>II. ASSETS</b>			
<b>1 Non-Current assets</b>			
a) Fixed Assets			
(i) Tangible assets	10	39595538	41867086
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
b) Non-Current investments	11	202500	218835
c) Deferred tax assets		-	-
d) Long-term loans and advances	12	6823709	7129404
e) Other non-current assets	13	6825711	7502580
		<u>53447458</u>	<u>56717905</u>
<b>2. Current Assets</b>			
a) Current Investments		-	-
b) Inventories	14	23076033	6527718
c) Trade Receivables	15	24741509	30772011
d) Cash and cash equivalents	16	3321447	5132134
e) Short-term Loans and Advances	17	149642	408518
f) Other current assets	18	2882460	4045716
		<u>54171091</u>	<u>46886097</u>
<b>TOTAL (1+2)</b>		<b>107618549</b>	<b>103604002</b>
Notes forming part of the Accounts	1 to 25		
Additional Notes forming part of accounts	26		

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

— sd —  
P.T. POLADIA  
(PARTNER)  
M. No. 38757  
Place : Mumbai  
Date : 30th May, 2014

For and on behalf of the  
Board of Directors

— sd —  
J. K. Vakharia  
Managing Director

— sd —  
V. J. Vakharia  
Director

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## EVERLON SYNTHETICS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014.

PARTICULARS	Note No.	Current Year As at 31 March 2014	Previous Year As at 31 March 2013
I. Revenue from Operations	19	533966137	480484173
II. Other Income	20	276180	492795
<b>III. Total Revenue (I+II)</b>		<b>534242317</b>	<b>480976968</b>
<b>IV. Expenses</b>			
Cost of Material Consumed	21	490002151	427926640
Purchase of stock-in-Trade		-	-
Changes in inventories of finished goods- work-in-progress and stock-in-trade	22	(4358058)	10366156
Employee benefits expenses	23	4677631	2320734
Finance Costs	24	6229766	6604822
Depreciation & amortisation expenses	10	3011541	3041619
Other Expenses	25	31579335	28391779
<b>Total Expenses</b>		<b>531142366</b>	<b>478651750</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		3099951	2325218
VI. Exceptional Items (Depreciation/Written Back)		0	0
VII. Profit before extraordinary items and tax (V-VI)		3099951	2325218
VIII. Extraordinary Items		0	(6655)
IX. Profit before tax (VII-VIII)		3099951	2318563
X. Tax Expense :			
(1) Current Tax		(600000)	(450000)
(2) Deferred Tax		-	-
XI. Profit/(Loss) for the period from continuing operations (IX-X)		2499951	1868563
XII Profit/(Loss) for the period from discontinuing operations		-	-
XIII. Tax Expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (After Tax (XII-XIII))		-	-
XV. Profit/(Loss) for the period (XI+XIV)		2499951	1868563
Add: Balance brought forward from Last Year (Short)/Excess provision from Income Tax for earlier years (provided)/written back		(24718711)	(26577970)
Profit available for Appropriation		37995	(9304)
Earning per share Basic & Diluted		(22180765)	(24718711)
Notes forming part of the Accounts	1 to 25	0.08	0.06
Additional Notes forming part of accounts	26		

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

— sd —  
**P.T. POLADIA**  
**(PARTNER)**

**M. No. 38757**

Place : Mumbai

Date : 30th May, 2014

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For and on behalf of the  
Board of Directors

— sd —  
**J. K. Vakharia**  
Managing Director

— sd —  
**V. J. Vakharia**  
Director

## EVERLON SYNTHETICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2014	2013-2014	2012-2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit/(loss) before Tax and Extraordinary items	3099951	2325218
Depreciation	3011541	3041619
Assets Written off	0	0
Dividend Received	(23250)	(446642)
Interest Paid	6229766	6604822
Exceptional Income	0	0
(Excess) /Short provision for income tax provided	(37995)	9304
(Profit)/Loss on Sale of Assets	161538	(324245)
Operating profit before working capital charges	12441551	11210076
Trade and Other Receivables	8435198	(8402719)
Inventories	(16548315)	42328638
Trade Payable	2376118	(11998994)
<b>NET CASH USED FROM OPERATING ACTIVITIES :</b>	<b>6704552</b>	<b>33137001</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(1128531)	(246822)
Sale of Fixed Assets	388538	0
Assets Written off	0	0
(Increase)/Decrease in Investments	16335	506655
Dividend Received	23250	446642
Interest Received	208145	0
Profit/ (Loss) on Sale of Assets	(161538)	0
Profit/ (Loss) on sale of Shares (Net)	0	324245
<b>NET CASH USED FROM INVESTING ACTIVITIES</b>	<b>(653801)</b>	<b>1030720</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Secured Loans	(8139926)	45714
Proceeds from Long Term Loans	5776452	(2806728)
Proceeds from Short Term Loans	731802	0
Increase/ (Decrease) in Capital	0	(20194800)
Adjustment on account of Demerger	0	(2668834)
Interest Paid	(6229766)	(6604822)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(7861438)</b>	<b>(32229470)</b>
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	<b>(1810687)</b>	<b>1938251</b>
<b>CASH &amp; CASH EQUIVALENTS :-</b>		
Opening Balance in the begning of the year	5132134	3193883
Closing Balance at the end of the year	3321447	5132134
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(1810687)</b>	<b>1938251</b>

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

— sd —  
**P.T. POLADIA**  
**(PARTNER)**

**M. No. 38757**

Place : Mumbai

Date : 30th May, 2014

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For and on behalf of the  
Board of Directors

— sd —  
**J. K. Vakharia**  
Managing Director

— sd —  
**V. J. Vakharia**  
Director

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2014**

<b>NOTE - 1 SHARE CAPITAL</b>	<b>Current Year Ended 31 March 2014</b>	<b>(Rupees) Previous Year Ended 31 March 2013</b>
Authorised 6,00,00,000 Equity Shares of Rs.1/- each (Previous year 6,00,00,000 equity shares of Rs.1/- each)	60000000	60000000
	<b>60000000</b>	<b>60000000</b>
ISSUED 3,03,04,800 Equity Shares of Rs.1/- each (Previous year 3,03,04,800 Equity Shares of Rs.1/- each)	30304800	30304800
	<b>30304800</b>	<b>30304800</b>
SUBSCRIBED AND PAID UP 3,02,73,600 Equity Shares of Rs.1/- each fully paid up (Previous year 3,02,73,600 equity shares of Rs.1/- each fully paid up)	30273600	30273600
Add: Paidup valueeof Shares	18600	18600
Forfeited 31200 Equity Shares of Rs. 1/- each (previous year 31200 Equity Shares or Rs. 1/- each)		
<b>TOTAL</b>	<b>30292200</b>	<b>30292200</b>

a) **Rights and Restrictions of the Equity Shares holders**

Following are the rights attached to 30273600 equity shares;

(I) Rights to receive dividend as may be approved by the Board/Annual General Meeting

(II) Rights to attend the Annual General Meeting of the Company and right to vote Apart from the above, the Equity shares rank pari passu and are subject to the rights, preference and restrictions under the companies Act.

b) There are Nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or subsidiary or associates of the holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

c) Shares in the company held by each shareholders holding more than 5% shares

<b>Name of the Shareholder</b>	<b>No of Shares held</b>	<b>Percentage (%)</b>
Jitendra K.Vakharia -HUF	4513188	14.91
Jitendra K.Vakharia	3036000	10.03
Prachi J.Vakharia	2352006	7.77
Varsha J.Vakharia	1639920	5.42

- d) There are Nil number of shares (Previous year Nil) reserved for issue under option and contracts/ commitment for the sale of shares/disinvestment including the terms and amounts.
- e) For the period of five years immediately preceding the date as at which the balance sheet is prepared.

<b>Particulars</b>	<b>No of Shares</b>
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil
Aggregate number and class of shares brought back.	Nil

- f) There are no securities (Previous year no)convertible into Equity/Preferential Shares.
- g) There are no calls unpaid (Previous year no) including calls unpaid by Directors and Officers as on balance sheet date.
- h) There is no change in number of shares outstanding at the begining and at the end of the year.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE - 2 Reserve & Surplus	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Capital Reserve		
As per Last Balance Sheet	0	18877449
Less : Adjustment on account of Scheme of Arrangement	0	18877449
	<u>0</u>	<u>0</u>
b) Capital Redemption Reserve	-	-
c) Securities Premium Reserve	-	-
d) Debenture Redemption Reserve	-	-
e) Revaluation Reserve	-	-
f) Share Option Outstanding Account	-	-
g) Other Reserves	-	-
General Reserve	-	-
As per Last Balance Sheet	-	-
Less: Transfer from Profit and Loss Account Balance	0	0
h) Surplus		
As per Last Balance Sheet	(13166764)	(26577970)
Add:- Adjustment on account of Scheme of Arrangement	0	11551947
Add:- Surplus for the current year	2499951	1868563
Add/Less :- Short provision/Excess provision	37995	(9304)
Written back/off	-	-
	<u>(10628818)</u>	<u>(13166764)</u>
Less: Transferred to General Reserve	-	-
Proposed Dividend	-	-
Tax on Dividend	-	-
Balance	<u>(10628818)</u>	<u>(13166764)</u>
<b>Gross Total (a+h)</b>	<b>(10628818)</b>	<b>(13166764)</b>

i) There is no reserve specifically represented by earmarked investments which can be termed as fund.

**NOTE 3 - Long Term Borrowings :**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Bonds / Debentures	-	-
b) Term loan from Bank (Secured)	569843	600000
Secured by hypothecation of Motor Car	-	-
c) Deferred payments Liabilities	-	-
d) Deposits	-	-
e) Loans and Advances from related parties (Unsecured)		
i) Loan recd from Companies	33046977	38793272
f) Long term maturities of finance lease obligations	-	-
g) Other loans & Advances	-	-
<b>TOTAL</b>	<b>33616820</b>	<b>39393272</b>

**NOTE 4 - Other Long-Term Liabilities**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Trade payables	77518	4332886
b) Others	-	-
<b>TOTAL</b>	<b>77518</b>	<b>4332886</b>

**NOTE 5 - Long Term Provisions**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Provisions for employees benefits (Gratuity)	1496777	946904
b) Others (Provision for Taxation)	-	2000000
<b>TOTAL</b>	<b>1496777</b>	<b>2946904</b>

**NOTE 6 - Short Term Borrowings**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
Secured Repayable on demand from Banks		
Overdraft from Bank ( Secured )	39884299	31744373
(Secured by way of hypothecation of Stock,Book Debts & further secured by mortgage of factory land & bldg situated at Survey No.265/7/1 of Village Dadra in the Union Territory of Dadra,Nagar & Haveli )		
<b>TOTAL</b>	<b>39884299</b>	<b>31744373</b>

**NOTE 7 - Trade Payables**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Due to Micro, Small & Medium Enterprise	-	-
b) Others	9713947	4168708
<b>TOTAL</b>	<b>9713947</b>	<b>4168708</b>

**NOTE 8 - Other Current Liabilities**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Current Maturities of longterm debts (Term Loan)	1081965	2516345
b) Current Maturities of finance lease obligations	-	-
c) Interest accrued but not due on borrowings	-	-
d) Interest accrued and due on borrowings	-	94498
e) Income received in advance	-	-
f) Unpaid Dividends	-	-
g) Application Money received from allotment of securities and due for refund and interest accrued thereon.	-	-
h) Unpaid matured deposits and interest accrued thereon	-	-
i) Unpaid matured debentures and interest accrued thereon	-	-
j) Other payables		
Creditors for Expenses / Assets	-	-
Other Liabilities	731802	-
Statutory Liability	51915	31346
Advance received from Customers & others	700124	800234
<b>TOTAL</b>	<b>2565806</b>	<b>3442423</b>

**NOTE 9 - Short term Provisions**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Provision for employees benefit	-	-
b) Others	-	-
Provision for Tax	600000	450000
<b>TOTAL</b>	<b>600000</b>	<b>450000</b>

**NOTE 10**

Description	G R O S S B L O C K			D E P R E C I A T I O N				N E T B L O C K		
	As at 01/04/13	Additions	Deduction	As at 31/03/14	As at 01/04/13	For the Year	Deductions Written Back	As at 31/03/14	As at 31/03/14	As at 31/03/13
Tangible Assets										
Land at Dadra	2078580	0	0	2078580	0	0	0	0	2078580	2078580
Factory Building	15272488	0	0	15272488	9934279	533821	0	10468100	4804388	5338209
Plant & Machinery	41523848	0	0	41523848	9094738	2192459	0	11287197	30236651	32429110
Electric Fittings	4226305	0	0	4226305	2821242	140506	0	2961748	1264557	1405063
Computers	557725	53700	0	611425	549194	37342	0	586536	24889	8531
Office equipments	62326	0	0	62326	45156	2576	0	47732	14594	17170
Furniture & Fixtures	445229	0	0	445229	245536	19969	0	265505	179724	199693
Vehicle	697723	1074831	697723	1384016	309185	84539	309185	393724	990292	388538
Testing Equipments	170710	0	0	170710	168518	329	0	168847	1863	2192
<b>Total Tangible Assets (a)</b>	<b>65034934</b>	<b>1128531</b>	<b>697723</b>	<b>65774927</b>	<b>23167848</b>	<b>3011541</b>	<b>309185</b>	<b>26179389</b>	<b>39595538</b>	<b>41867086</b>
Intangible Assets										
Brand Development	-	-	-	-	-	-	-	-	-	-
Total intangible Assets (b)	-	-	-	-	-	-	-	-	-	-
<b>Total (a+b)</b>	<b>65034934</b>	<b>1128531</b>	<b>697723</b>	<b>65774927</b>	<b>23167848</b>	<b>3011541</b>	<b>309185</b>	<b>26179389</b>	<b>39595538</b>	<b>41867086</b>
Previous Period	64788112	246822	-	65034934	20126229	3041619	-	23167848	41867086	44661883

**Note - 11 NON CURRENT INVESTMENTS**

NOTES FORMING PART OF BALANCE SHEET	31/3/2014		31/3/2013	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
1) Trade Investments ( UNQUOTED ) Janata Sahakari Bank Ltd.Pune	2025	202500	2025	202500
2 ) Other Investments				
a) Investment in Property.		--		--
b) Investment in Equity Instruments Vakharia Power Infrastructure Ltd ( UNQUOTED ) (50000 Equity Shares of Rs.10/- each)	--	--		--
BUBNA MAJOR BIOTECH LTD.	--	--	3900	
MIDEAST INT.STEELS LTD.	--	--	4000	
SANGHI POLYESTER LTD.	--	--	13200	
YULE FINANCE & LEASING LTD.	--	--	2700	1261400
Provision for diminution in value of shares		202500		1463900 (1245065)
c) Investment in Preference Shares		--		--
d) Investment in Government or Trust Securities		--		--
e) Investment in Debenture or Bonds		--		--
f) Investment in Mutual Funds		--		--
g) Investment in Partnership Firms		--		--
h) Other non-current investments		--		--
<b>TOTAL</b>		<b>202500</b>		<b>218835</b>
Total Cost of Quoted Investment		--		1261400
Total Cost of Unquoted Investment		202500		202500
Market Value of Quoted Investment		--		16335

**NOTE 12 - Long Term Loans and Advances**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Capital Advances	--	--
b) Security Deposits	194799	194799
c) Loans & Advances to related parties	--	--
d) Other Loans & Advances	6628910	6934605
<b>TOTAL</b>	<b>6823709</b>	<b>7129404</b>

**NOTE 13- Other non-current assets**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Long term Trade receivables (Including trade receivables on deferred credit terms)	6825711	3187522
b) Others	--	4315058
<b>TOTAL</b>	<b>6825711</b>	<b>7502580</b>

**NOTE 14 - Inventories**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Raw Material	12964595	926974
b) Stock in Process (Work in Progress)	3710612	3829781
c) Stock of Finished Goods	5258701	781474
d) Stock in trade (Shares)	--	--
e) Stock of Stores & Spares	1142125	989489
f) Loose Tools	--	--
g) Others (Stock of Scrap)	--	--
<b>TOTAL</b>	<b>23076033</b>	<b>6527718</b>

(Stock-in-trade as per Inventories taken Valued & Certified by the Management)

**NOTE 15 - Trade Receivables**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
(Unsecured, considered good)		
Debts outstanding for a period exceeding six Months	--	5167392
Other Debts	24741509	25604619
<b>TOTAL</b>	<b>24741509</b>	<b>30772011</b>

**NOTE 16 - Cash & Cash Equivalents**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Balances with Banks		
i) In Current Accounts	142143	1220937
ii) In Unpaid Dividend Account	--	--
iii) In Fixed Deposits	2760000	2760000
b) Cheques and drafts on hand	--	--
c) Cash-on-hand	419304	1151197
d) Others	--	--
<b>TOTAL</b>	<b>3321447</b>	<b>5132134</b>

**NOTE 17 - Short term Loan & Advances**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Loans & Advances to related parties	--	--
b) Others		
Prepaid Expenses	--	54776
Staff Advance	149642	353742
Advances for expenses	--	--
<b>TOTAL</b>	<b>149642</b>	<b>408518</b>

**NOTE 18- Other current assets**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
Interest Accrued on FDR	101821	42272
Trade Payable (Debit Balance)	2780639	4003444
<b>TOTAL</b>	<b>2882460</b>	<b>4045716</b>

**NOTE 19 - Revenue from Operations**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Sale of Products	533966137	480484173
b) Sale of Services	--	--
c) Other Operating Revenues	--	--
	533966137	480484173
Less: State Excise Duty	--	--
<b>TOTAL</b>	<b>533966137</b>	<b>480484173</b>

**NOTE 20 - Other Income**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
a) Interest Income	208145	236820
b) Dividend Income	23250	--
c) Net gain on sale of Investment	--	--
d) Other non Operating Income	44785	255975
<b>TOTAL</b>	<b>276180</b>	<b>492795</b>

**NOTE 21 - Cost of Materials Consumed**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
Raw Materials Consumed		
Opening Stock	926974	5031850
Add : Purchases	475865994	398812514
	476792968	403844364
Less: Closing Stock	12964595	926974
	463828373	402917390
Packing and Other Materials Consumed		
Opening Stock	696550	674876
Add: Purchases	26336976	25030924
	27033526	25705800
Less: Closing Stock	859748	69655
	26173778	25009250
<b>TOTAL</b>	<b>490002151</b>	<b>427926640</b>

**NOTE 22 - Changes in inventories of finished goods  
Work-In-Progress & Stock in Trade**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
Opening Stock		
Finished Goods	781474	12536950
Work-in-process	3829781	2440461
	4611255	14977411
Less: Closing Stock		
Finished Goods	3710612	781474
Work-in-process	5258701	3829781
	8969313	4611255
<b>TOTAL</b>	<b>43258058</b>	<b>10366156</b>

**NOTE 23 - Employee Benefit Expenses**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
Salaries & Wages (including Bonus)	3935928	2129794
Contribution to Provident Fund & Other Funds	741703	190940
Employees Welfare	--	--
<b>TOTAL</b>	<b>4677631</b>	<b>2320734</b>

**NOTE 24 - Finance Costs**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
Interest on Term Loan	257620	561297
Bank Interest on Overdraft from Bank	3731947	3546738
Other Interest and Financial Charges	2240199	2496787
<b>TOTAL</b>	<b>6229766</b>	<b>6604822</b>

**NOTE 25 - Other Expenses**

Particulars	(Rupees)	
	Current Year Ended 31 March 2014	Previous Year Ended 31 March 2013
Repairs & Maintenance		
- Plant & Machinery	1678730	1634162
- Building	-	-
- Others	650284	590919
Manufacturing Expenses	3576529	2885434
Bank charges & commission	141574	95325
Power & Fuel	22035942	19677238
Legal and Professional Charges	566321	1204203
Loss on Sale of Assets	162419	-
Postage, Telephone and Telegram Expenses	194068	301778
Printing & Stationery	80155	110547
Insurance	186132	35501
Commission paid on Sale	567059	331812
Directors Remuneration	480000	480000
Director Sitting Fees	6000	12000
Travelling & Conveyance	83244	64889
Vehicle Expenses	246576	165604
Auditor Remuneration	140000	130000
Miscellaneous Expenses	784302	672367
<b>TOTAL</b>	<b>31579335</b>	<b>28391779</b>

**NOTE : 26****ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS****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 & Plant and Machinery 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:- |     |
| 2. Furniture & Fixtures   | 10% |
| 3. Vehicles   | 15% |
| 4. Electrical Installation  | 10% |
| 5. Air Conditioning   | 15% |
| 6. Testing Equipment  | 15% |
| 7. Office Equipment   | 15% |
- III) In case of Plant and Machinery, Company has provided Depreciation on Straight Line method as per schedule XIV of Companies Act, 1956.  
IV) 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                    |
- 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. The Company has carried out actuarial valuation of Retirement Benefits during the year.
- 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 )**
- i). Related Party Relationships
- |  |   |
|--|---|
| ( a ) Where control exists                 | 1) Everest Yarn Agency Pvt.Ltd<br>2) Vakharia Power Infrastructure Ltd. |
| ( b ) 100% Subsidiary                      | NIL   |
| ( c ) Key Management Personnel             | Mr. Jitendra K. Vakharia<br>Mrs. Varsha J. Vakharia                     |
| ( d ) Relative of Key Management Personnel | Nil   |
| ( e ) Other related Parties                | Nil   |

## ii). Transactions with Related Parties (Rupees)

Type of Parties	Description of the nature of the transaction	Volume of Trans 2013-14	2013-14		Volume of Trans 2012-13	2012-13	
			Outstanding			Outstanding	
			Receivable	Payable		Receivable	Payable
Where Control Exists	Loans	10372822/-	---	33046977/-	13556042/-	---	38639317/-
	Director's Remuneration and Sitting Fees	482000/-	---	---	492000/-	---	---

## 04. Earning per share

	Year Ended March 2014	Year Ended March 2013
Profit / (Loss) attributable to the equity shareholders (Rupees)	2499951	1868563
Number of Equity Shares Outstanding during the year.	30292200	30292200
Nominal value of Equity Shares	Rs. 1	1
Basic/diluted earnings per share on face value of Rs.1/- each (with exceptional Income)	Rs. 0.08	0.06
Basic/diluted earnings per share (Rs.) (Without exceptional Income)	Rs. 0.08	0.06

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. a) The amount shown in Trade Payable, and Discount Receivables from Sundry Creditors under various heads are subject to confirmations.  
b) The amount shown under Trade receivable under various heads are subject to confirmation

07. 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.

08. Contingent Liabilities: -  
Excise Duty claim not acknowledged as Debt Rs.4,45,40,268/- (Previous Year Rs.4,45,40,268/-)

09. 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.

10. 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.

	2013-2014 (Rupees)	2012-2013 (Rupees)
i) Value of Import on CIF Basis	NIL	NIL
ii) F.O.B. Value of Exports	NIL	NIL
iii) Expenditure, Earning and remittance in foreign Currency	NIL	NIL
iv) Estimated amount of contracts remains to be executed on capital account and not provided for	NIL	NIL
v) Value of Raw Materials consumed		
a) Indigenous	46,38,28,373/-	40,29,17,390/-
b) Imported	NIL	NIL
vi) Break up of Repairs and Maintenance		
For Plant and Machineries	1678730	1634162
For Others	650284	590919
	<b>2329014</b>	<b>2225081</b>
vii) Auditors Remuneration		
Included in Profit and Loss Account is Made up of :		
Audit Fees	75000	65000
Tax Audit Fees	15000	15000
VAT Audit Fees	10000	7500
Taxation Matters	15000	20000
Certification Work	25000	22500
	<b>140000</b>	<b>130000</b>

- 11 Previous year's figures have been regrouped, rearranged or recast wherever considered necessary, so as to make them comparable with current year figures.

#### SIGNATORIES TO NOTES NO. 1 TO 26

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

— sd —  
**P.T. POLADIA**  
**(PARTNER)**  
**M. No. 38757**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on behalf of the  
Board of Directors

— sd —  
**J. K. VAKHARIA**  
**MANAGING DIRECTOR**

— sd —  
**V. J. VAKHARIA**  
**DIRECTOR**

#### E-COMMUNICATION REGISTRATION FORM

To,  
Sharex Dynamic (India) Pvt.Ltd.,  
Unit: Everlon Synthetics Ltd.  
Unit-1, Luthra Ind.Premises, Safed Pool,  
Andheri –Kurla Road, Andheri (E)  
**Mumbai – 400 072.**

Dear Sir,/Madam,

#### RE: Green Initiative in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail.

Folio No. : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

PAN : \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder : \_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Date:..... Signature of the first holder.....

#### Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.
- 2) The form is also available on the website of the company [www.vakharia.in](http://www.vakharia.in)
- 3) Shareholders are also requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given above is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned e-mail ID.



**EVERLON SYNTHETICS LIMITED**

(CIN: L17297MH1989PLC052747)

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

Tel.:91-22-2204 9233 • Fax: 91-22-2287 0540 • Email: info@everlon.in

Folio No./DP ID/Client ID No.	
No. of Shares Held	

**EVERLON SYNTHETICS LIMITED will be held on Thursday 21<sup>st</sup> August, 2014 at 3.00 P. M.  
ATTENDANCE SLIP**

I/We record my/our presence at the Twenty Fifth Annual General Meeting to be held on 21st August, 2014 at Kilachand Conference Room, 3rd Floor, Indian Merchants Chambers, Churchgate, Mumbai - 400 020 At 3.00 p. m..

NAME OF THE SHAREHOLDER / PROXY (in Block Letters)	
SIGNATURE OF THE SHAREHOLDER / PROXY	

**NOTE:** You are requested to sign and handover this slip at the entrance of the meeting venue.

**Form No. MGT-11  
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L17297MH1989PLC052747		
Name of the company	EVERLON SYNTHETICS LIMITED		
Registered office	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021		
Name of the member (s)			
Registered address			
E-mail Id			
Folio No/ Client Id		DP ID	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty fifth General Meeting to be held on to be held on Thursday 21st August, 2014 at Kilachand Conference Room, 3rd Floor, Indian Merchants Chambers, Churchgate, Mumbai - 400 020 At 3.00 p. m. and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.: RESOLUTIONS

For Against

1. Adoption of Financial Statements for the year ended 31st March , 2014		
2. Re-appointment of Mr. Varsha J Vakharia, who retires by Rotation		
3. Appointment of M/s. Poladia & Co., as Auditors & fixing Their remuneration.		
4. Increase in Authorised Share Capital of the Company		
5. Alteration of Capital Clause of Memorandum of Association		
6. Alteration of Capital Clause of Article of Association		
7. Appointment of Mr. Dinesh Turakhia as Independent Director		
8. Appointment of Mr. Kamlesh Sanghavi as a Independent Director		
9. Creation of Mortgagee or charge on the assets of the Company		
10. Borrowing in excess of paid up capital and free reserves.		

**Affix  
Revenue  
Stamp**

Signed this..... day of..... 2014

Signature of Shareholder: ...../

Signature of Proxy holder(s): .....

**Note:** 1 ) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2) A proxy need not be a member of the Company.