

**C O N T E N T S**

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**EVERLON SYNTHETICS LIMITED****BOARD OF DIRECTORS**

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

**AUDITORS**

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

**BANKERS**

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](http://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 24th Annual General Meeting of the Members of the Company will be held on Saturday 24th August 2013 at 4.00 P.M. at the Registered Office of the Company at 67, Regent Chambers, 6th Floor, 208 Nariman Point, Mumbai - 400 021 to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider & adopt Audited Accounts for the year ended 31st March 2013, together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri. Dinesh P. Turakhia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Place : Mumbai  
Dated: 30th May 2013

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

By order of the Board of Directors  
— Sd —  
**J. K. VAKHARIA**  
**MANAGING DIRECTOR**

**NOTES**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share transfer books of the Company will remain closed from Friday 16th August 2013 to Saturday 24th August 2013 (both days inclusive) for the purpose of Annual General Meeting.
- c) The Members are requested to:
  - i) Intimate immediately any change in their address to Company's Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd., 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 atleast 10 days in advance so that the required information can be made available at the meeting.
  - iv) Bring their copies of Annual Report and Attendance slip with them at the meeting.
  - v) Intimate Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. for consolidation of their folios, in case they are having more than one folio.
- d) 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.
- e) 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 sending 3 reminders to the shareholders as required under Clause 5.A II of the Listing Agreement.

As per the 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 a 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](http://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.

Place : Mumbai  
Dated : 30th May 2013

By order of the Board of Directors  
— Sd —  
**J. K. VAKHARIA**  
**MANAGING DIRECTOR**

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

As per clause 49 (IV) (G)(1) of the Listing Agreement)

A. Name of Director	Shri Dinesh P. Turakhia.
B. Date of Birth	25/09/1942
C. Date of Appointment	06/12/2002
D. Expertise in specific functional areas	25 years experience in Yarn Business
E. Qualifications	D.E.E.
F. Name of Companies in which Directorship held as on 31st March'13	Vakharia Power Infrastructure Ltd.,
G. Chairman/Member of the Committees of the Board of the other companies on which he is a Director as on 31st March 2013.	---- NIL ----
H. No. of equity shares of Rs.1/- each of the company held as on 31st March 2013	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 2012-2013, 5 Board Meetings were held on 30th May 2012, 14th August 2012, 1st October 2012, 12th November 2012, and 9th February 2013.

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, '13) in other companies	No of other Committees Membership	No of other Committees Cheirmanship
1.	Shri Jitendra K. Vakharia Managing Director	ED (P)	5	Yes	7	-----	-----
2.	Smt. Varsha J. Vakharia	NED (P)	5	Yes	7	-----	-----
3.	Shri Dinesh P. Turakhia	NED (I)	5	Yes	1	-----	-----
4.	Shri Kamlesh C. Sanghavi	NED (I)	5	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 2012-2013, 4 meetings of the committee were held as under:- 30th May 2012, 14th August 2012, 12th November 2012 and 9th February 2013.

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

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

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

**4. Remuneration of Directors**

The remuneration committee of the Board comprises 3 Directors namely, Shri Dinesh P. Turakhia - Chairman, Shri Kamlesh C. Sanghavi - Member and Smt. Varsha J. Vakharia - Member. No meeting of Remuneration Committee was held during the financial year, as there was no matters requiring approval of the committee. The terms of reference of the Committee are as specified in Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The Managing Directors remuneration details for the financial year 2012-2013 are given below:-

Name	Salary	Commission	Perquisites	Total	Tenure of years
Shri Jitendra K. Vakharia	Rs. 480000/- p.a.	_____	_____	Rs. 480000/- p.a.	5 years from 1/10/2011

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 2013 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

Shri D.P.Turakhia -Rs.4000/-, Shri K.C. Sanghavi - Rs.4000/- and Smt. Varsha J.Vakharia-Rs.4000/-.

The number of equity shares of the company held by non-executive Directors as on 31st March 2013 are as follows:-

Shri D.P. Turakhia 3000 equity shares, Shri K.C. Sanghavi - NIL and Smt. Vasha J. Vakharia 1639920 equity shares.

**5. Shareholders/Investors Grievances Committee**

During the year Share Transfer Committee held 12 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 9th March, 2013. 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.	Smt. Varsha J. Vakharia	Member	NED (P)

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 System (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 number of complaints received from the Shareholders were nil. All letters have been replied to the satisfaction of shareholders. There were no requests pending for dematerialisation as on 31st March 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
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.
2009-2010	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	14th August 2010 at 11.30 A.M.

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

AGM Date	Matter
(i) 25th August 2012	-----
(ii) 13th August 2011	Reappointment of Shri Jitendra K.Vakharia as Managing Director for 5 years.
(iii) 14th August 2010	Nil

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.

**9. General Shareholder Information**

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

**10. Information on Directors**

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

**11. Declaration by the Managing Director**

Declaration by the Managing Director under clause 49(1) (D)(ii) of the Listing Agreement is given below:- "Pursuant to Clause 49 (1) (D) (ii) of the listing agreement with the Stock Exchanges, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the year ended 31st March 2013."

**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 2013, 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: 30th May, 2013

**INFORMATION FOR SHAREHOLDERS**

- Annual General Meeting:-**  
Day, Date & Time : Saturday 24th August 2013 at 4.00 P..M.  
Venue: 67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.
- Financial Year :** 1st April 2012 to 31st March 2013
- Book Closure Dates on account of Annual General Meeting:**  
Friday 16th August 2013 to Saturday 24th August 2013 (Both days inclusive)
- Listing of Shares on Stock Exchange**  
The equity shares of the company are listed on 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.,
- STOCK CODES**

Name of the Stock Exchange	Stock Code
The Stock Exchange, Mumbai	514358
The Ahmedabad Stock Exchange	16730
- Market Price Data**  
Share prices at Bombay Stock Exchange Ltd., during the year 2012-13 for one equity share each are as under:- In terms of Scheme of Arrangement for demerger of company's investment business, the face value of equity shares of the company has been changed from Rs.10/- per share to Re.1/- per share and trading of company's equity shares in the new denomination of Re.1/- each commenced from 08/01/2013, as per the approval granted by The Bombay Stock Exchange.

SHARE PRICE (RS.)			
Month	Face Value	High	Low
April, 2012	Rs.10/-	11.04	9.68
May, 2012	Rs.10/-	13.85	9.91
June, 2012	Rs.10/-	14.30	10.60
July, 2012	Rs.10/-	12.67	10.45
August, 2012	Rs.10/-	11.91	10.35
September, 2012	Rs.10/-	12.94	10.70
October, 2012	Rs.10/-	11.43	9.65
November, 2012	Rs.10/-	13.57	10.50
December, 2012	---	---	--
January, 2013	Re.1/-	3.55	2.06
February, 2013	Re.1/-	2.98	2.06
March, 2013	Re.1/-	2.30	1.30

- 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
- 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.
- 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 2013

Size of Holdings	No of Holders	% of Holders	No. of Shares	% of Shares
Upto 101	78	2.66	2947	0.01
to 201	26	0.89	4070	0.01
to 501	50	1.70	16963	0.06
to 1001	493	16.80	306842	1.01
to 5001	2046	69.73	3474183	11.48
to 10001	111	3.78	741508	2.45
to 100001	107	3.65	2774324	9.16
to 100001	23	0.78	22952763	75.82
<b>Total</b>	<b>2934</b>	<b>100.00</b>	<b>30273600</b>	<b>100.00%</b>

SHAREHOLDING PATTERN AS ON 31ST MARCH 2013

Category	No. of Shares held	% of Shareholding
Indian Promoters	17288905	57.10
Private Corporate Bodies	318426	1.05
Indian Public	10122773	33.45
NRI's / OCB's	2543496	8.40
<b>Total</b>	<b>30273600</b>	<b>100.00 %</b>

11. Dematerialisation of Shares & liquidity

As at 31st March, 2013, 89.23% of total equity shares of the company were held in dematerialized form with National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are required to be compulsorily traded in the dematerialisation form. The shares are available for dematerialisation under ISIN INE 339D01026. The request for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

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

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

13. Plant Locations :

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

14. Address for correspondence:

Registered Office :

67, Regent Chambers,  
208, Nariman Point,  
Mumbai - 400 021.  
Tel: 2204 9233, 2204 2788  
Fax: (022) 2287 0540  
Email: everlonsynthetics@gmail.com  
Website:- www.everlon.in

EVERLON SYNTHETICS LIMITED  
DIRECTOR'S REPORT

To,

The Members,

The Board of Directors present the 24th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2013 along with the cash flow statements:

1. OPERATIONS AND FINANCIAL RESULTS

	Year Ended 31/03/2013 ( Rs. In Lacs)	Year Ended 31/03/2012 (Rs. in Lacs)
Sales	4804.84	4260.31
Other Income	4.93	7.35
Exceptional Items	0.00	67.33
Extraordinary Items	0.07	0.00
Profit for the year before Depreciation & Tax	53.60	133.94
Less : Depreciation	30.42	31.47
Profit before Tax	23.18	102.47
Less : Provision for Tax	4.50	20.00
Profit after tax	18.68	82.47
Less: IT Provisions for earlier years	0.09	0.67
Profit for the year	18.59	81.80
Profit/ (Loss) Brought forward from previous year	(265.77)	(347.57)
Profit/ (Loss) carried to Balance Sheet	(247.18)	(265.77)

2. PERFORMANCE

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

The company has produced 4167.20 tons against 3904.04 tons during the previous year resulting in sales turnover of Rs.4804.84 lacs as against Rs.4260.31 lacs during the previous year.

3. DIVIDEND

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

4. DIRECTORS

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

5. AUDITORS

M/s. Poladia & Co. Chartered Accountants have given their consent for re-appointment for F. Y. 2013-2014. 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 31/03/2013.

- 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 31/03/2013 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. DEMERGER**

The Scheme of Arrangement Under Section 391 to 394 of the Companies Act 1956 for Demerger and Transfer of Investment Business of the Company into Vakharia Power Infrastructure Ltd., was approved by Honorable Bombay High Court vide its Order dated 14th September 2012 (effective from 18th October 2012) with appointed dated as 1st September 2011.

Following are the main features of Demerger :

- a) The authorised Share Capital of the company has been reorganized from Rs.6,00,00,000 consisting of 60,00,000 Rs.10/- each to 6,00,00,000 equity share of Rs.1/- each, thereby changing the face value of share from Rs.10/- to Rs.1/- each.
- b) Subscribed and Paid up Capital of the company has been reduced from Rs.5,04,56,000/- consisting of 50,45,000 equity shares of Rs.10/- each to Rs.3,02,73,600/- consisting of 3,02,73,600 equity shares Rs.1/- each fully paid up thereby reducing paid up Share Capital by 40%.
- c) The reduction in Share Capital amount of Rs.201.82 lacs together with Capital Reserve of Rs.188.77 lacs, totaling Rs.390.59 lacs has been utilized for the purpose of adjusting Demerger of Investment Business and debit balance in the Profit and Loss Account. Accordingly, the company has passed the necessary accounting entries.
- d) Members of the Company have been allotted shares by Vakharia Power Infrastructure Ltd., on 21st November 2012 (record date) in the ratio of one equity share of Vakharia Power Infrastructure Ltd., of face value of Rs.1/- each for every one equity share held in the company of the face value of Re.1/- each. Vakharia Power Infrastructure Ltd., has already submitted application to Bombay Stock Exchange for Listing of the equity shares.

**9. AUDITORS REPORT**

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

**10. 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.

**11. SUBSIDIARY COMPANY**

M/s. Vakharia Power Infrastructure Ltd., (VPIL) has ceased to be a subsidiary of the company w.e.f. 23rd November 2012 due to Allotment of equity shares by VPIL to the members of the company.

**12. 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.

**13. DEPOSITS**

The Company has not accepted any Deposits from the Public.

**14. COST AUDIT**

The Board of Directors have appointed M/s. Ketki D. Visariya & Co. as Cost Accountant for conducting the Cost Audit for the Financial Year 2013-14.

**15. COMPLIANCE CERTIFICATE**

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

**16. 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

\_\_\_\_\_ sd \_\_\_\_\_

**J. K. VAKHARIA**

**MANAGING DIRECTOR**

\_\_\_\_\_ sd \_\_\_\_\_

**V. J. VAKHARIA**

**DIRECTOR**

Place : Mumbai

Dated : 30th May 2013

**ANNEXURE 1 TO DIRECTOR'S REPORT 2012-2013**

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:**

**2012-2013**

**2011-2012**

1. Electricity

(a) Purchases Units (Lacs)

49.00

47.65

Total Amounts (Rs. in lacs)

196.77

193.08

Rate per Unit (Rs.)

4.01

4.05

(b) Own Generation:

Through Diesel Generator

Units (in lacs)

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---

Units per Ltr. of Diesel Oil

---

---

Cost per Units (Rs.)

---

---

2. Coal

---

---

3. Furnace Oil

---

---

4. Other / Internal Generation Steam

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**b. CONSUMPTION PER UNIT OF PRODUCTION :**

(Product : Polyester Texturised Yarn)

(Product : Polyester Twisted Yarn)

1. Electricity (Unit per M.T.)

1176

1225

2. Coal (Kg)

---

---

3. Furnance Oil Liter

---

---

4. Steam (Tons)

---

---

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

1. <b>Research &amp; Development (R &amp; D)</b>	NIL	AT PRESENT
2. <b>Technology Absorption adaptation and Innovation</b>	NIL	AT PRESENT

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

a. Activities relating to exports initiative taken to increase export markets for products and services and export plan.	)	NOT APPLICABLE
	)	
	)	
b. Total Foreign exchange used and earned :		
1. Expenditure in Foreign Currency	Nil	Nil
2. Value of Import on CIF basis (Rs.in Lacs)	—	—
3. F.O.B. Value of exports (Rs.in Lacs)	—	0.78

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**A. Industry Outlook**

The Company expects the domestic textile industry to grow by 5% . Weaving facilities are increasing and polyester texturised yarn is now being used in traditional as well as non traditional products.

**B. Opportunities**

Due to addition of POY manufacturing facility in the country, the availability of POY raw material has increased substantially.

**C. Segment**

The Company has only one Reporting Segment namely, Textiles.

**D. Risk And Concerns**

The Polyester industry is facing risk of Volatile raw material prices and fluctuation in foreign currency. There is also an increase in competition amongst domestic producers of Polyester Texturised Yarn.

**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.48.04 crores against sales of Rs.42.60 crores of the previous year.

**G. Industrial Relations**

Harmonious industrial relations continue to prevail during the year. Total number of employees as on 31st March, 2013 were 21.

**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 2013. 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 thereunder 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 under the Act and the Rules made there under and has paid additional fees for the delay.
- 3) The company being a public limited company, comments are not required.
- 4) The Board of Directors duly met 5 (Five) times on 30.05.2012, 14.08.2012, 01.10.2012, 12.11.2012 and 09.02.2013 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 17.08.2012 to 25.08.2012 and notice u/s 154 was published on 18.08.2012.
- 6) The annual general meeting for the financial year ended on 31st March, 2012 was held on 25.08.2012 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) In terms of the directions given by Hon'ble Bombay High Court, court convened meeting of equity shareholders and also court convened meeting of unsecured creditors of the Company were held on 16.06.012 for approval of Scheme of Arrangement for demerger of Company's investment business.
- 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 (3) 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) Company has:
  - i) not allotted any securities and delivered all the certificates on lodgment thereof for transfer/ transmission and has also delivered share certificates on change in face value of equity shares of the Company 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.
  - iv) no amounts lying in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon.
  - v) 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 Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the provisions of the Act, during the financial year and Hon'ble Bombay High Court has approved vide its order dated 14.09.2012 (certified on 28.09.2012) Scheme of Arrangement for demerger of Company's investment business into Vakharia Power Infrastructure Limited
- 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) In terms of Scheme of Arrangement for demerger of Company's investment business, the Company has issued fresh share certificates to its equity shareholders to give effect to change in face value of shares and also reduction in paid up share capital.
- 20) The company has not bought back any shares during the financial year.
- 21) There was no redemption of preference shares or debentures during the financial year.
- 22) 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.
- 23) The company has not invited / accepted any deposits falling within the purview of Sec. 58A of the Act during the financial year.
- 24) The amount borrowed by the Company has from banks and others during the financial year ending 31.03.2013 are within borrowing limits of the Company.
- 25) The company has made investments in other bodies corporate and not given guarantees to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
- 26) 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.
- 27) The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
- 28) The company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
- 29) In terms of order dated 14.09.2012 passed by Hon'ble Bombay High Court for demerger of Company's investment business into Vakharia Power Infrastructure Limited, the Authorised Share Capital of the Company has been altered from Rs. 6 Crores consisting of 60,00,000 equity shares of Rs. 10/- each to Rs. 6 Crores consisting of 6,00,00,000 equity shares of Re. 1/- each.
- 30) The company has altered its Articles of Association for change in its Authorised Share Capital as per Scheme of Arrangement for demerger of Company's investment business into Vakharia Power Infrastructure Limited.
- 31) 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.
- 32) The company has not received any money as security from its employees during the financial year.
- 33) 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.

Place: Mumbai  
Dated: 30th May 2013

For M. M. SHETH & CO.  
Company Secretaries  
Sd/-

Annexures A & B

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

Name of the Company : EVERLON SYNTHETICS LTD.  
F.Y. Ending on : 31st March 2013

**ANNEXURE 'A'**

Registers as maintained by the company.

Statutory Registers

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

For M. M. SHETH & CO.  
Company Secretaries

Sd/-

M. M. SHETH)  
Proprietor

Name of the Company : EVERLON SYNTHETICS LTD.  
F.Y. Ending on : 31st March 2013

**ANNEXURE 'B'**

Forms and Returns as filed by the company with Registrar of Companies during the financial year ending on 31st March, 2013.

Sr. no.	Form No. or Return	U/S	Purpose	Date of filing	Whether in time	If delay Additional Fees paid.
1	Form 23	192	Filing Special Resolution for approval of Scheme of Arrangement and reduction in share capital passed on 16.06.2012	26.06.2012	Yes	N.A
2	Form 61	394	Filing Application for Scheme of Arrangement	25.07.2012	Yes	N.A
3	Annual Return F N 20B	159	For AGM held on 25.08.2012	20.09.2012	Yes	N.A.
4	Form 21	394	Filing High Court order approving Scheme of Arrangement u/s 394	18.10.2012	Yes	N.A.
5	Form 21	102	Filing High Court order approving Scheme of Arrangement u/s 102	18.10.2012	Yes	N.A.
6	Form 8	135	Modification of charge in favour of Janata Sahakari Bank	07.12.2012	No	Rs. 1,000/-
7	Audited Accounts F N 23AC & 23 ACA	220	Audited Accounts for the year ended 31.03.2012	15.02.2013	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**

**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, 2013, 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- 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.

- As required by section 227(3) of the Act, we report that:
  - 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;
  - 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
  - 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.
  - 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;
  - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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)**  
sd \_\_\_\_\_

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

Place: Mumbai.  
Dated: 30th May 2013

**EVERLON SYNTHETICS LIMITED**  
ACCOUNTING YEAR ENDED 31ST MARCH, 2013  
**ANNEXURE TO THE AUDITOR'S REPORT**  
**REFERRED TO CLAUSE 1 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 two companies covered in register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 433.72 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.
- x) 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 2013, 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 it net worth. The Company has not incurred cash losses during the current financial year and not incurred cash losses during the immediately preceding financial year.
- xi) The Company has not taken loans from financial institution or has not issued debentures to any party, hence the question of default in repayment does not arise.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not chit/nidhi/mutual benefit fund/society and clause 4 (xiii) of the Order is not applicable.
- xiv) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- xv) On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has not raised any new term 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.

Place : Mumbai  
Dated: 30/05/2013

For **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn No. 128274W)  
— sd —  
**P.T. POLADIA**  
**PARTNER**  
**M.NO.38757**

**EVERLON SYNTHETICS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2013** (Rupees)

	Note No.	Current Year As at 31st March, 2013	Previous Year As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	1	30292200	50487000
b) Reserves & Surplus	2	(13166764)	(7700521)
c) Money received against share warrants		-	-
		17125436	42786479
<b>2. Share application money pending allotment</b>			
		-	-
<b>3. Non-Current Liabilities</b>			
a) Long-term Borrowings	3	39393272	45309456
b) Deferred tax liabilities		-	-
c) Other Long-term liabilities	4	4332886	4449007
d) Long-term Provisions	5	2946904	2150258
		46673062	51908721
<b>4. Current Liabilities</b>			
a) Short-term Borrowings	6	31744373	29373456
b) Trade Payables	7	4168708	8272185
c) Other Current liabilities	8	3442423	4552281
d) Short-term provisions	9	450000	2000000
		39805504	44197922
<b>TOTAL (1+2+3+4)</b>		<b>103604002</b>	<b>138893122</b>
<b>II. ASSETS</b>			
<b>1 Non-Current assets</b>			
a) Fixed Assets			
(i) Tangible assets	10	41867086	44661883
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
b) Non-Current investments	11	218835	725490
c) Deferred tax assets		-	-
d) Long-term loans and advances	12	7129404	8271383
e) Other non-current assets	13	7502580	6813828
		56717905	60472584
<b>2. Current Assets</b>			
a) Current Investments		-	-
b) Inventories	14	6527718	48856356
c) Trade Receivables	15	30772011	25946941
d) Cash and cash equivalents	16	5132134	3193883
e) Short-term Loans and Advances	17	408518	377233
f) Other current assets	18	4045716	46125
		46886097	78420538
<b>TOTAL (1+2)</b>		<b>103604002</b>	<b>138893122</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 : 30/05/2013

For and on behalf of the  
Board of Directors

— sd —

J. K. Vakharia  
Managing Director

— sd —

V. J. Vakharia  
Director

**EVERLON SYNTHETICS LIMITED**  
**PROFIT AND LOSS STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013** (Rupees)

	Note No.	Current Year As at 31st March, 2013	Previous Year As at 31st March, 2012
I. Revenue from Operations	19	480484173	426031453
II. Other Income	20	492795	735103
<b>III. Total Revenue (I+II)</b>		<b>480976968</b>	<b>426766556</b>
<b>IV. Expenses</b>			
Cost of Material Consumed	21	427926640	383995099
Purchase of stock-in-Trade		-	-
Changes in inventories of finished goods- Work-in-progress and stock-in-trade	22	10366156	160947
Employee benefits expenses	23	2320734	2553801
Finance Costs	24	6604822	5895789
Depreciation & amortisation expenses	10	3041619	3147259
Other Expenses	25	28391779	27500083
<b>Total Expenses</b>		<b>478651750</b>	<b>423252978</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		2325218	3513578
VI. Exceptional Items (Depreciation Written Back)		0	6733036
VII. Profit before extraordinary items and tax (V-VI)		2325218	10246614
VIII. Extraordinary Items		(6655)	0
IX. Profit before tax (VII-VIII)		2318563	10246614
X. Tax Expense :			
(1) Current Tax		(450000)	(2000000)
(2) Deferred Tax		-	-
XI. Profit/(Loss) for the period from continuing operations (IX-X)		1868563	8246614
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)		1868563	8246614
Add: Balance brought forward from Last Year (Short)/Excess provision for Income Tax for earlier years (provided)/written back		(26577970) (9304)	(34757276) (67308)
Profit available for Appropriation		(24718711)	(26577970)
Earning per share Basic & Diluted		0.06	1.63
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 : 30/05/2013

For and on behalf of the  
Board of Directors

— sd —

J. K. Vakharia  
Managing Director

— sd —

V. J. Vakharia  
Director

**CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT**

	2012-2013 ( Rs.)	2011-2012 ( Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit/(loss) before Tax and Extraordinary items	2325218	3513578
<b>Adjustment for :</b>		
Depreciation	3041619	3147259
Assets Written off	0	(582974)
Dividend Received	(446642)	(276801)
Interest Paid	6604822	5895789
Exceptional Income	0	(6733036)
Short provision for income tax provided	9304	67308
(Profit)/Loss on sale of Shares (Net)	(324245)	(43621)
Operating profit before working capital charges	<b>11210076</b>	<b>4987502</b>
<b>Adjustment for :</b>		
Trade and Other Receivables	(8402719)	(6682802)
Inventories	42328638	(21298418)
Trade Payable	(11998994)	(15309897)
NET CASH USED FROM OPERATING ACTIVITIES	<b>33137001</b>	<b>(38303615)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(246822)	(136098)
Assets Written off	0	(582974)
(Increase)/Decrease in Investments	506655	(103985)
Dividend Received	446642	276801
Exceptional Income	0	(6733036)
Profit/ (Loss) on sale of Shares (Net)	324245	43621
NET CASH USED FROM INVESTING ACTIVITIES	<b>1030720</b>	<b>(7235671)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Secured Loans	45714	34815004
Proceeds from Long Term Loans	(2806728)	16790000
Increase/ (Decrease) in Capital	(20194800)	0
Adjustment on account of Demerger	(2668834)	0
Interest Paid	(6604822)	(5895789)
NET CASH FROM INVESTING ACTIVITIES	<b>(32229470)</b>	<b>45709215</b>
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	<b>1938251</b>	<b>169929</b>
CASH & CASH EQUIVALENTS :-		
Opening Balance in the begning of the year	3193883	3023954
Closing Balance at the end of the year	5132134	3193883
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	<b>1938251</b>	<b>169929</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 : 30/05/2012

For and on behalf of the Board of Directors — sd —

J. K. Vakharia  
Managing Director  
— sd —

V. J. Vakharia  
Director

**ACCOUNTING YEAR ENDED 31ST MARCH 2013**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

<b>NOTE - 1 SHARE CAPITAL</b>	<b>(Rupees)</b>	
	<b>Current Year Ended 31st March, 2013</b>	<b>Previous Year Ended 31st March, 2012</b>
Authorised 6,00,00,000 Equity Shares of Rs.1/- each (Previous year 60,00,000 equity shares of Rs.10/- each )	60000000	60000000
	<b>60000000</b>	<b>60000000</b>
ISSUED 3,03,04,600 Equity Shares of Rs.1/- each (Previous year 50,50,800 Equity Shares of Rs.10/- each	30304600	50508000
	<b>30304600</b>	<b>50508000</b>
SUBSCRIBED AND PAID UP 3,02,73,600 Equity Shares of Rs.1/- each fully paid up (Previous year 50,45,600 equity shares of Rs.10/- each fully paid up	30273600	50456000
Add:Paid up value of Shares Forfeited 31200 Equity Shares of Rs.1/-each (previous year 5200 Equity Shares of Rs.10/-each)	18600	31000
<b>TOTAL</b>	<b>30292200</b>	<b>50487000</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 or the ultimate holding company in aggregate

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

Name of the Shareholder	No of Shares held	Percentage (%)
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.

Particulars	No of Shares
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 Officer as on balance sheet date.

h) There is change in number of shares outstanding at the end of the financial year on account of Scheme of Arrangement of Company as per Hon'ble Bombay High Court order dated 14/09/2012

	As at 31/03/2013	As at 31/03/2012
Number of Equity Shares outstanding at the beginning of the year of the face value of Rs.10/- each	5045600	5045600
As per Scheme of Arrangement, ( the face value of number of equity shares has been changed from Rs.10/- to Rs.1/- per share)	50456000	-
Less: As per Scheme of Arrangement, the paid up share capital is reduced by 40%	20182400	-
Number of Equity shares of Rs.1/- face value outstanding at the end of the year	30273600	5045600

In respect of 5200 equity share of Rs.10/- each, paid up amount Rs.31000/- which are lying in share forfeited account has been reduced to 31200 equity shares of Rs.1/- each, paid up amount Rs.18,600/- on the line of the above Scheme of Arrangement.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

## NOTE 2 - Reserve &amp; Surplus

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Capital Reserve		
As per Last Balance Sheet	18877449	18877449
Less: Adjustment on account of Scheme of Arrangement	18877449	0
	<u>0</u>	<u>18877449</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	-	-
	<u>-</u>	<u>18877449</u>
Less: Transfer from Profit and Loss Account	-	-
Balance	<u>0</u>	<u>18877449</u>
h) Surplus		
As per Last Balance Sheet	(26577970)	(34757276)
Add: Adjustment on account of Scheme of Arrangement	11551947	0
Add:- Surplus for the current year	1868563	8246614
Less:- Short Provision of the previous years provided	(9304)	(67308)
	<u>(13166764)</u>	<u>(26577970)</u>
Less: Transferred to General Reserve		
Proposed Dividend	-	-
Tax on Dividend	-	-
Balance	<u>(13166764)</u>	<u>(26577970)</u>
<b>Gross Total (g+h)</b>	<b><u>(13166764)</u></b>	<b><u>(7700521)</u></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 31.03.2013	Previous Year Ended 31.03.2012
a) Bonds / Debentures	-	-
b) Term loan from Bank ( Secured)	600000	3109456
Secured by hypothecation of Machinery	-	-
c) Deferred payments Liabilities	-	-
d) Deposits	-	-
e) Loans and Advances from related parties ( Unsecured)		
i) Loan recd from Companies	38793272	42200000
f) Long term maturities of finance lease obligations	-	-
g) Other loans & Advances	-	-
<b>TOTAL</b>	<b><u>39393272</u></b>	<b><u>45309456</u></b>

## NOTE 4 - Other Long-Term Liabilities

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Trade payables	4332886	4449007
b) Others	-	-
<b>TOTAL</b>	<b><u>4332886</u></b>	<b><u>4449007</u></b>

## NOTE 5 - Long-Term Provisions

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Provisions for employees benefits ( Gratuity )	946904	850258
b) Others ( Provision for Taxation )	2000000	1300000
<b>TOTAL</b>	<b><u>2946904</u></b>	<b><u>2150258</u></b>

## NOTE 6 - Short Term Borrowings

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2013
Secured Repayable on demand from Banks		
Overdraft from Bank ( Secured )	31744373	29373456
(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><u>31744373</u></b>	<b><u>29373456</u></b>

**NOTE 7 - Trade Payables**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Due to Micro, Small & Medium Enterprises	-	-
b) Others	4168708	8272185
<b>TOTAL</b>	<b>4168708</b>	<b>8272185</b>

**NOTE 8 - Other Current Liabilities**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Current Maturities of longterm debts (Term Loan)	2516345	2332091
b) Current Maturities of finance lease obligations	-	-
c) Interest accrued but not due on borrowings	-	-
d) Interest accrued and due on borrowings	94498	1365320
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	-	-
Statutory Liability	31346	54611
Advance received from Customers & others	800234	800259
<b>TOTAL</b>	<b>3442423</b>	<b>4552281</b>

**NOTE 9- Short-term Provisions**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Provision for employees benefit	-	-
b) Others	-	-
Provision for Tax	450000	2000000
<b>TOTAL</b>	<b>450000</b>	<b>2000000</b>

**EVERLON SYNTHETICS LIMITED**  
ACCOUNTING YEAR ENDED : 31ST MARCH, 2013.

**NOTE - 10**  
**FIXED ASSETS:**

Description	← GROSS BLOCK →				← DEPRECIATION →				← NET BLOCK →		
	As at 01.04.2012	Addition	Deduc.	As at 31.03.13	As at 01.04.2012	For the year	Dedu./ written Back	As at 31.03.13	As at 31.03.12		
Tangible Assets	2078580	0	0	2078580	0	0	0	2078580	2078580		
Land at Dadra	15167518	104970	0	15272488	9344464	589815	0	9934279	5823054		
Factory Building	41381996	141852	0	41523848	6906023	2188715	0	9094738	34475973		
Plant & Machinery	4226305	0	0	4226305	2665123	156119	0	2821242	1561182		
Electric Fittings	557725	0	0	557725	536397	12797	0	549194	21328		
Computers	62326	0	0	62326	42125	3031	0	45156	20201		
Office equipments	445229	0	0	445229	223347	22189	0	245536	221882		
Furniture & Fixtures	697723	0	0	697723	240619	68566	0	309185	457104		
Vehicle	170710	0	0	170710	168131	387	0	168518	2579		
Testing Equipments	64788112	246822	0	65034934	20126229	3041619	0	23167848	44661883		
Total Tangible Assets (a)		246822	0	65034934	20126229	3041619	0	23167848	44661883		
Intangible Assets	-	-	-	-	-	-	-	-	-		
Brand Development	-	-	-	-	-	-	-	-	-		
Total intangible Assets (b)	-	-	-	-	-	-	-	-	-		
<b>Total (a+b)</b>	<b>64788112</b>	<b>246822</b>	<b>-</b>	<b>65034934</b>	<b>20126229</b>	<b>3041619</b>	<b>-</b>	<b>23167848</b>	<b>44661883</b>	<b>44661883</b>	<b>40940008</b>
Previous Period	71269321	140466	6621675	64788112	30329313	3147259	13350343	20126231	44661883		



NOTES FORMING PART OF BALANCE SHEET	No. of Shares	(Rupees)	
		Current Year 31.03.2013	Previous Year 31.03.2012
<b>NOTE 11 : NON CURRENT INVESTMENTS</b>			
1) Trade Investments ( UNQUOTED ) Janata Sahakari Bank Ltd.Pune			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)	-	-	500000
BUBNA MAJOR BIOTECH LTD.	3900	39000	3900
MIDEAST INT.STEELS LTD.	4000	80000	4000
SANGHI POLYESTER LTD.	13200	1115400	13200
YULE FINANCE & LEASING LTD.	2700	27000	2700
		1261400	1261400
		1463900	1963900
Provision for diminution in value of shares		(1245065)	(1238410)
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>218835</b>	<b>725490</b>
Total Cost of Quoted Investment		1261400	1261400
Total Cost of Unquoted Investment		202500	702500
Market Value of Quoted Investment		16335	22990

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

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Capital Advances	-	-
b) Security Deposits	194799	194799
c) Loans & Advances to related parties	-	-
d) Other Loans & Advances	6934605	8076584
<b>TOTAL</b>	<b>7129404</b>	<b>8271383</b>

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

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Long term Trade receivables (Including trade receivables on deferred credit terms)	3187522	3122278
b) Others	4315058	3691550
<b>TOTAL</b>	<b>7502580</b>	<b>6813828</b>

**NOTE 14 - Inventories**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Raw Material	926974	5031850
b) Stock in Process (Work in Progress)	3829781	2440461
c) Stock of Finished Goods	781474	12536950
d) Stock in trade (Shares)	-	27892701
e) Stock of Stores & Spares	989489	954394
f) Loose Tools	-	-
g) Others (Stock of Scrap)	-	-
<b>TOTAL</b>	<b>6527718</b>	<b>48856356</b>

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

**NOTE 15 - Trade Receivables**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
(Unsecured, considered good)		
Debts outstanding for a period exceeding six Months	5167392	4338545
Other Debts	25604619	21608396
<b>TOTAL</b>	<b>30772011</b>	<b>25946941</b>

**NOTE 16 - Cash & Cash Equivalents**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Balances with Banks		
i) In Current Accounts	1220937	149956
ii) In Unpaid Dividend Account	-	-
iii) In Fixed Deposits	2760000	2778257
b) Cheques and drafts on hand	-	-
c) Cash-on-hand	1151197	265670
d) Others	-	-
<b>TOTAL</b>	<b>5132134</b>	<b>3193883</b>

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

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Loans & Advances to related parties	-	-
b) Others		
Prepaid Expenses	54776	29758
Staff Advance	353742	347475
Advances for expenses	-	-
<b>TOTAL</b>	<b>408518</b>	<b>377233</b>

**NOTE 18- Other current assets**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
Interest Accrued on FDR	42272	46125
Trade Payable (Debit Balance)	4003444	-
<b>TOTAL</b>	<b>4045716</b>	<b>46125</b>

**NOTE 19 - Revenue from Operations**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Sale of Products	480484173	426031453
b) Sale of Services	-	-
c) Other Operating Revenues	-	-
	480484173	426031453
Less: State Excise Duty	-	-
<b>TOTAL</b>	<b>480484173</b>	<b>426031453</b>

**NOTE 20 - Other Income**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
a) Interest Income	236820	214648
b) Dividend Income	-	276801
c) Net gain on sale of Investment	-	43621
d) Other non Operating Income	255975	200033
<b>TOTAL</b>	<b>492795</b>	<b>735103</b>

**NOTE 21 - Cost of Materials Consumed**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
Raw Materials Consumed		
Opening Stock	5031850	6247620
Add : Purchases	398812514	357241529
	403844364	363489149
Less: Closing Stock	926974	5031850
	402917390	358457299
Packing and Other Materials Consumed		
Opening Stock	674876	687819
Add: Purchases	25030924	25524857
	25705800	26212676
Less: Closing Stock	696550	674876
	25009250	25537800
<b>TOTAL</b>	<b>427926640</b>	<b>383995099</b>

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

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
Opening Stock		
Finished Goods	12536950	11028101
Work-in-process	2440461	4110257
	14977411	15138358
Less: Closing Stock		
Finished Goods	781474	12536950
Work-in-process	3829781	2440461
	4611255	14977411
<b>TOTAL</b>	<b>10366156</b>	<b>160947</b>

**NOTE 23 - Employee Benefit Expenses**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
Salaries & Wages (including Bonus)	2129794	2160425
Contribution to Provident Fund & Other Funds	190940	393376
Employees Welfare	-	-
<b>TOTAL</b>	<b>2320734</b>	<b>2553801</b>

**NOTE 24 - Finance Costs**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
Interest on Term Loan	561297	526448
Bank Interest on Overdraft from Bank	3546738	2954380
Other Interest and Financial Charges	2496787	2414961
<b>TOTAL</b>	<b>6604822</b>	<b>5895789</b>

**NOTE 25 - Other Expenses**

Particulars	(Rupees)	
	Current Year Ended 31.03.2013	Previous Year Ended 31.03.2012
Repairs & Maintenance		
- Plant & Machinery	2225081	2268998
- Building	-	-
- Others	-	-
Manufacturing Expenses	2885434	2732131
Bank charges & commission	95325	263616
Power & Fuel	19677238	19308061
Legal and Professional Charges	1204203	724476
Postage, Telephone and Telegram Expenses	301778	225070
Printing & Stationery	110547	69517
Insurance	35501	120485
Commission paid on Sale	331812	354601
Directors Remuneration	480000	360000
Director Sitting Fees	12000	9000
Travelling & Conveyance	64889	64983
Vehicle Expenses	165604	234353
Auditor Remuneration		
- Audit Fees	65000	65000
- Tax Audit Fees.	15000	10000
- VAT Audit Fees.	7500	7500
- Taxation Matters	20000	25000
- Certification Works	22500	30000
Miscellaneous Expenses	672367	649792
<b>TOTAL</b>	<b>28391779</b>	<b>27500083</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 &amp; 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 perschedule 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. However, actuarial valuation not carried out by the company.

**g) Contingent Liabilities:**

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

**02. Segement Results**

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

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

1. Related Party Relationships

(a) Where control exists	Everest Yarn Agency Pvt.Ltd Vakharia Power Infrastructure Ltd
(b) 100% Subsidiary	Nil
(c) Key Management Personnel	Mr. Jitendra K. Vakharia Mrs. Varsha J. Vakharia
(d) Relative of Key Management Personnel	Nil
(e) Other related Parties	Nil

2. Transactions with Related Parties

(Rs. in Lacs)

Type of Parties	Description of the nature of the transaction	Volume of Trans. 2012-13	2012-13		Volume of Trans. 2011-12	2011-12	
			Outstanding			Outstanding	
			Receivable	Payable		Receivable	Payable
Where Control Exists	Loans	13556042/-	—	38639317/-	28130000/-	—	41750000/-
	Director's Remuneration and Sitting Fees	492000/-	—	—	369000/-	—	—
100% Subsidiary	Investment in Share Capital	—	—	—	500000/-	—	—

**04. Earning per share**

	Year Ended March 2013	Year Ended March 2012
Profit / (Loss) attributable to the equity shareholders (Rs.in Lacs)	1868563	8246614
Number of Equity Shares Outstanding during the year.	30292200	5045600
Nominal value of Equity Shares	1	10
Basic/diluted earnings per share (Rs.) (with exceptional Income)	0.06	1.63
Basic/diluted earnings per share (Rs.) (without exceptional Income)	0.06	1.63

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. In terms of order dated 14th September 2012, Appointed date 01/09/2011 (effective date 18th October 2012) passed by Hon'ble Bombay High Court, approving Scheme of Arrangement for demerger of investment business of the company into Vakharia Power Infrastructure Ltd., the company has effected the following :-

- a) The Company has reorganized / restructured its subscribed and paid up share capital by effecting reduction of 40% of its share capital. The subscribed and paid up share capital now stands at 3,02,73,600 equity shares of Re.1/- each.
- b) The face value of the equity share has been changed from Rs.10/- per equity share to Re.1/- equity share fully paid-up.
- c) To give effect to the aforesaid Hon'ble Bombay High Court order, the company has passed necessary accounting entries for transfer of investment business of the company into Vakharia Power Infrastructure Ltd., as per applicable accounting standards.
- d) Vakharia Power Infrastructure Ltd., has ceased to be subsidiary of the company w.e.f. 23/11/2012 due to allotment of equity shares by Vakharia Power Infrastructure Ltd., to the members of the company.

07. 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.

08. 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.

09. Contingent Liabilities : -

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

10. There are no Micro, Small and Medium Enterprises, as defined in Mircro, 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.

11. 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.

	<b>2012-2013 (Rupees)</b>	<b>2011-2012 (Rupees)</b>
i) Value of Import on CIF Basis	NIL	NIL
ii) F.O.B. Value of Exports	NIL	78,087/-
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	40,29,17,390/-	35,84,57,229/-
b) Imported	NIL	NIL
vi) Break up of Repairs and Maintenance For Plant and Machinerics	<b>31/03/2013</b> 1634162	<b>31/03/2012</b> 1099826
For Others	590919	1169172
	----- 2225081	----- 2268998
	=====	=====
vii) Auditors Remuneration Included in Profit and Loss Account is Made up of :	<b>31/03/2013</b>	<b>31/03/2012</b>
Audit Fees	65000	65000
Tax Audit Fees	15000	15000
VAT Audit Fees	7500	7500
Taxation Matters	20000	2500
Certification Work	22500	30000
	----- 130000	----- 130000
	=====	=====

12. 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 : 30/05/2012

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 Limited  
 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 1st 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.everlon.in](http://www.everlon.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**

**Registered Office**

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

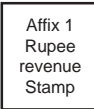
**PROXY**

Reg. Folio No. / Client ID No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I/We.....of.....  
..... in the district of  
being a member / members of the above named Company hereby appoint  
.....of.....in the district of  
..... on falling him.....of  
..... in the district of .....as my / our  
proxy to vote for me / us on my / our behalf at the 24th Annual General Meeting of the Company to be held on Saturday, the 24th August 2013 at 4.00 p.m. and at any adjournment thereof.

Signed this..... day of.....2013



**Note :** This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

**EVERLON SYNTHETICS LIMITED**

**Registered Office**

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

**ATTENDANCE SLIP**

I hereby record my presence at the 24th General Meeting held at Registered Office of the Company at 67, Regent Chambers, 6th Floor, 208, Nariman Point, Mumbai - 400 021. on Saturday, the 24th August 2013 at 4.00 p.m.

Name of the Shareholders(s)..... Folio No./Cliend ID No. \_\_\_\_\_  
(in Block Capitals)

Name of the Proxy or Company Representative \_\_\_\_\_  
(in Block Capitals)

Signature of the Shareholder(s) or  
Proxy or Company Representative \_\_\_\_\_

- Note :**
- 1. Appoxy attending on behalf of a Shareholder(s) should please write the name of the Shareholders(s) from whos.
  - 2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional copies of the same will not be made available at the Meeting.

BOOK-POST

To,

*If undelivered, please return to :*  
**EVERLON SYNTHETICS LIMITED**  
Registered Office :  
67, Regent Chambers,  
208, Nariman Point,  
Mumbai - 400 021.

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*24th*  
*Annual Report*  
*2012-2013*

**Everlon  
Synthetics  
Limited**