

Everlon Synthetics Ltd.

**28th
Annual Report
(2016 - 2017)**

Financial Year (2016-2017)

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EVERLON SYNTHETICS LIMITED

CIN L17297MH1989PLC052747

BOARD OF DIRECTORS

SHRI JITENDRA K. VAKHARIA	(DIN 00047777)	MANAGING DIRECTOR
SMT VARSHA J. VAKHARIA	(DIN 00052361)	DIRECTOR
SHRI DINESH P. TURAKHIA	(DIN 00063927)	INDEPENDENT DIRECTOR
SHRI NITIN I. PAREKH	(DIN 00087248)	INDEPENDENT DIRECTOR

KEY MANAGERIAL PERSONNEL

SHRI PRADEEP K. PAREEK	CHIEF FINANCIAL OFFICER
SHRI SANDEEP S. GUPTA	COMPANY SECRETARY

AUDITORS

M/s. K.S. MAHESHWARI & COMPANY

(Chartered Accountants)

203, Shripad Darshan, Ayre Road,

Dombivali (East) – 421 201,

Dist. Thane

BANKERS

Yes Bank Ltd.

Indian Overseas Bank

IDBI Bank

REGISTERED OFFICE

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

E-Mail: everlonsynthetics@gmail.com; web: 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

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-Eight Annual General Meeting of the Shareholders of EVERLON SYNTHETICS LIMITED (CIN : L17297MH1989PLC052747) will be held on Friday 8th September, 2017, at Kilachand Conference Room, 2nd Floor, Indian Merchants Chambers, Churchgate, Mumbai - 400 020 at 10.30 a. m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31st March, 2017, the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Varsha J. Vakharia who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re- enactment(s) thereof for the time being in force), and pursuant to the recommendations of Audit Committee, M/s. K.S Maheshwari & Co., Chartered Accountants, Firm Registration No. 105846W who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the financial year 2017-18, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

SPECIAL RESOLUTION FOR AUTHORISATION FOR MAKING INVESTMENTS IN EXCESS OF THE LIMITS SPECIFIED U/S 186 OF THE COMPANIES ACT, 2013

4. 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 186 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and rules made there under (including any statutory modification(s) thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to invest / acquire the securities of any other body corporate including its subsidiary company(ies) by way of subscription / purchase or otherwise, upto a sum of Rs. 20 Crores (Rupees Twenty Crores only), notwithstanding that the aggregate of the investments, loans and guarantees so far made together with the investments to be made will exceed the limits prescribed under Section 186 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transactions.”

SPECIAL RESOLUTION FOR RECLASSIFICATION OF SHAREHOLDER FROM PROMOTER GROUP CATEGORY TO PUBLIC CATEGORY

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

“RESOLVED THAT pursuant to provisions of Regulation 31A(2) read with Regulation 31A(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) including any amendments made thereto or any other applicable provisions of Listing Regulations and other applicable laws, consent of the members of the Company be and is hereby given to reclassify Mrs. Leena D. Dadia Jt. With Ami D. Dadia (Applicant), holding 2562960 equity shares of the Company constituting 4.55% of the issued and paid-up share capital of Company, from “Promoter Category” to “Public Category” since the Applicant is neither involved in the management nor hold any controlling stake in the Company and also not entered into any Shareholders’ Agreement with the Company nor have they got any Veto Rights or Special Information Rights or Special Rights as to voting power or control of the Company.

RESOLVED FURTHER THAT it is hereby confirmed that

- that the Applicant does not hold, individually or in aggregate, more than 10% of the paid-up equity capital of the Company;
- that the Applicant does not have any special rights through formal or informal arrangements/ agreements;
- that the Applicant, does not and shall not act as Key Managerial Personnel for a period of more than 3 years from the date of shareholders' approval.
- that the Applicant does not, directly or indirectly, exercise control over the affairs of the Company

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or the officers authorized by the Board in this regard be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

SPECIAL RESOLUTION FOR CONSOLIDATION OF SHARE CAPITAL 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 61(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification, amendment or re-enactment thereof for the time being in force), and provisions of the Articles of Association of the Company, and subject to the approval(s), consent(s), permission(s) and sanction(s) as may be necessary or, required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred as "the Board" which term shall be deemed to include any Committee thereof or any such officer of the Company as the Board may deem fit), consent of the Company is hereby accorded for consolidation of every 10 equity shares of Re. 1/- each to 1 equity share of Rs. 10/- each, i.e. 10,00,00,000 (Ten crore) equity shares of the nominal value of Re. 1/- each in the Authorized Share Capital of the Company be consolidated into 1,00,00,000 (One crore) equity shares of Rs. 10/- each AND THAT Clause V (being Capital Clause) of the Memorandum of Association of the Company and Article no. 3 of the Articles of Association of the Company be altered accordingly.

RESOLVED FURTHER THAT the subscribed and fully paid up Equity Share Capital of the Company comprising of 5,62,22,400 equity shares of Re. 1/- each be consolidated into 56,22,240 equity shares of Rs. 10/- each aggregating to Rs. 5,62,22,400/- (Rupees Five Crores Sixty Two Lacs Twenty Two Thousand Four Hundred Only), as on the Record date to be determined by the Board for this purpose.

RESOLVED FURTHER THAT upon consolidation of the Equity shares of the Company as aforesaid, every 10 (Ten) equity shares of face value of Re. 1/- (Rupee One only) each fully paid-up held by a shareholder as on the Record Date shall stand consolidated into 1 (One) equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up with effect from the Record Date.

RESOLVED FURTHER THAT on consolidation as mentioned above, the consolidated equity shares shall rank pari passu in all respects and carry the same rights as the existing fully paid Equity shares of the Company and shall be entitled to dividend(s) after consolidation of equity shares, if declared/ recommended by the Board and subsequently approved by the shareholders.

RESOLVED FURTHER THAT upon consolidation of the Equity shares of the Company as aforesaid, the existing share certificates in relation to the existing Equity shares of the face value of Re. 1/- (Rupee One only) each fully paid-up held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and that no letter of allotment shall be issued to the allottees of the new Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid-up on consolidation and the Company may without requiring the surrender of the existing equity share certificates directly issue and dispatch the new share certificates of the Company, in lieu of such existing share certificates and in the case of the Equity shares held in the dematerialized form, the number of consolidated Equity shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity shares of the Company before consolidation.

RESOLVED FURTHER THAT no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of shares so arising shall be held by a Trustee appointed by the Board who shall dispose off the said shares in the market at the best available price in one or more lots and the decision of the Trustee in this regard shall be final and binding to all concerned. The Trustee shall hold the net sale proceeds of all such shares after deducting there from all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to fix a Record Date and to take all the necessary steps to facilitate the legal and/or procedural formalities including requisite approvals and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with the power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board of the Company to secure any further consent or approval of the members of the Company and to delegate any of its powers to such officer of the Company as the Board may think fit.”

SPECIAL RESOLUTION FOR ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

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

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

V. The Authorised Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- 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 Articles of Association of the Company for the time being and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by law or provided by the Articles of Association for the time being of the Company.

SPECIAL RESOLUTION FOR ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

8. 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 1,00,00,000 (One Crore) Equity shares of Rs. 10/- (Rupees Ten only) each.

By order of the Board of Directors
For Everlon Synthetics Limited

-- Sd ---

J.K.Vakharia
Managing Director
(DIN00047777)

Place:- Mumbai
Date:- 4th July, 2017

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a shareholder.
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 Register of Members and Share Transfer Register of the Company will remain closed from Friday 1st September, 2017 to Friday 8th September, 2017 (both days inclusive).
4. 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.

5 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.

- 6 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.

7. Instructions for the voting through electronic means

- I In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

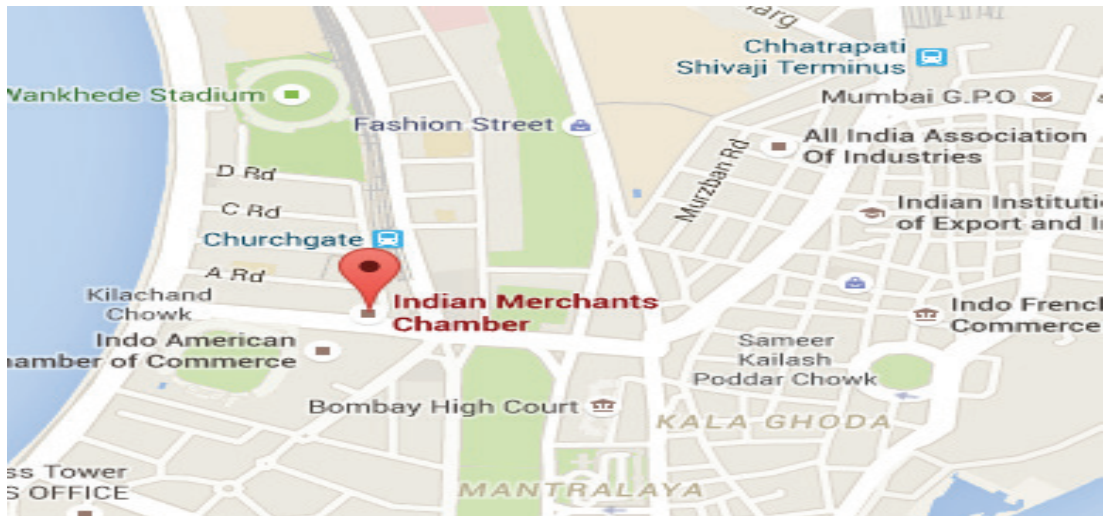
- III The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday 5th September 2017 at 9.00 am and ends on Thursday 7th September 2017 at 5.00 pm. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st September 2017, may cast their votes by e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]
- (i) Open email and open PDF file viz ; "remote e-voting PDF with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder – Login.
 - (iv) Put the user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Everlon Synthetics Ltd.,
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer at e-mail ID shethmm_cs@yahoo.co.in with a copy to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy
- (i) Initial password is provided as below / at the bottom of the Attendance Slip for AGM:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No.(xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st September, 2017.

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 1st September, 2017 , may obtain the login ID and password by sending a request at email ID evoting@nsdl.co.in or RTA email ID e-Voting @sharexindia.com and sharexindia@vsnl.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact at the following toll free no.: 1800-222-990.

- XI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through ballot paper.
- XII. M.M. Sheth & Co. Company Secretary (FCS No.1455) has been appointed as the Scrutinizer scrutinize the voting at the AGM and remote-e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” / “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 48 hours of the conclusion of the AGM, consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and the declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.everlon.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited

8. Map of the venue of AGM:



9. Details of Director seeking re-appointment at the forth coming Annual General Meeting.

A. Name of Director	Mrs. Varsha J. Vakharia
B. Date of Birth	25/08/1958
C. Date of Appointment	29/10/1999
D. Qualification	M.A.
E. Expertise in specific areas	General Administration
F. Name of other Public Companies in which holds Directorship as on 31 st March 2017	1) Ind Renewable Energy Ltd. 2) Vakharia Financial Services Ltd.
G. Name of other Companies of which holds Committee Membership / Chairmanship As on 31 st March 2017	NIL
H. No. of equity shares held As on 31 st March 2017	73,92,769
I. Inter-se Relations Among Directors	She is related to Jitendra K. Vakharia
J. Number of Board Meetings attended during the year.	She has attended Four board meetings.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

AUTHORISATION FOR MAKING INVESTMENTS IN EXCESS OF THE LIMITS SPECIFIED U/S 186 OF THE COMPANIES ACT, 2013

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate as and when required. It is proposed to authorise Board of Directors to make investments upto a sum of Rs.20 Crores (Rupees Twenty Crores only), notwithstanding that the aggregate of the investments, loans and guarantees so far made together with the investments to be made will exceed the limits prescribed under Section 186 of the Act.

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company.

The Board accordingly recommends the Special resolution for approval of the members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except as members.

ITEM NO. 5

RECLASSIFICATION OF SHAREHOLDER FROM PROMOTER GROUP CATEGORY TO PUBLIC CATEGORY

The Company had received a letter dated 28/06/2017 from Mrs. Leena D. Dadia Jt. Ami D. Dadia (Applicant) falling under the category of Promoters/Promoter Group of the Company requesting to be reclassified from the category of "Promoters/Promoter Group" to "Public category":

The Applicant holds 2562960 equity shares of the Company constituting 4.55% of the issued and paid-up share capital of Company. They do not exercise any control over the Company and also not engaged in the management of the Company. They neither have representation on the Board of Directors of the Company nor hold any Key Management Personnel position in the Company. The Company has also not entered into any Shareholders Agreement with them. Further they do not have any Special Rights as to voting power or control of the Company nor any Special Information Rights.

Based on the letters received from the Applicant, the matter was discussed by the Board of Directors of the Company at their meeting held on 04th July, 2017 and Board decided to get the Applicant re-classified from the category of "Promoter" to "Public" with the approval of the Stock Exchanges.

A re-classification may also be permitted by the stock exchanges under the main Listing Regulation No. 31A(2) itself read with the additional conditions specified under Regulation 31A (7) of Listing Regulation. The sum totals of conditions under the two sub regulations are as follows:

- (i) A request for reclassification is to be made by the concerned listed entity or by the concerned shareholders/ to stock exchanges;
- (ii) All relevant evidence to be provided;
- (iii) Reclassified promoter shall not directly or indirectly exercise control over the affairs of entity;
- (iv) Increase in the level of public shareholding pursuant to reclassification of promoters shall not be considered towards achieving compliance with minimum public shareholding requirement under Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and
- (v) The event of reclassification shall be disclosed to the stock exchanges as a material event in accordance with the provisions of Listing Regulations.

All the conditions specified under Regulations 31A(2) and 31A(7) of Listing Regulation have been duly complied with by the Company.

The Company's case of re-classification of promoter does not fall under the Regulation 31A (4), 31A (5) and 31A (6) of Listing Regulations which requires the approval of Shareholders. However, to satisfy the requirements of Stock Exchange and also, by way of a good Corporate practice, the Company has decided to obtain member's approval.

Mrs. Leena D. Dadia Jt. Ami D. Dadia (Applicant) are related to Shri. Jitendra K. Vakharia and Smt. Varsha J. Vakharia, Directors of the Company, save and except that none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution except to the extent of their shareholding if any, in the Company.

The Board, therefore recommends the Resolution for approval of the members as Special Resolution.

ITEM NOS. 6, 7 & 8

CONSOLIDATION OF SHARE CAPITAL OF THE COMPANY AND CONSEQUENTIAL AMENDMENTS TO THE MEMORANDUM & ARTICLES OF ASSOCIATION OF THE COMPANY

The Authorised Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten crores) divided into 10,00,00,000 (Ten crore) equity shares of face value of Re. 1/- each (Rupee One each). The Board of Directors of the Company subject to requisite approval and consent resolved to consolidate 10 equity shares of Re. 1 each into 1 equity share of Rs. 10/- each and consequently alter the Clause V (being Capital Clause) of the Memorandum of Association of the Company and Article no. 3 of the Articles of Association of the Company.

The Board is of the view that the aforesaid restructuring would help the Company to give a better picture of Earnings per share to the equity shareholders of the Company.

The proposed share consolidation will not involve payment to any shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Company. Shareholders will not be required to make any payment to the Company in respect of the proposed share consolidation. Each consolidated share will rank pari passu in all respects with each other.

The proposed share consolidation will generally be beneficial to its Shareholders as it may serve to reduce the fluctuation in magnitude of the Company's market capitalisation. This may, in turn, increase market interest in the shares and generally make the shares more attractive to investors.

The proposed share consolidation will also rationalise the share capital of the Company by reducing the number of shares outstanding. As a result of the proposed share consolidation, there would be an immediate reduction in the number of shares. Hence, the Company shall benefit from easier management of a smaller number of shares. Further, it believes that overhead costs incurred on servicing the fragmented minority shareholding will be reduced significantly post consolidation.

The Record Date for the aforesaid consolidation of the equity shares will be fixed by the Board after the approval of the Members. On the record date, all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of shares so arising shall be held by a Trustee appointed by the Board who shall dispose off the said shares in the market at the best available price in one or more lots and the decision of the Trustee in this regard shall be final and binding to all concerned. The Trustee shall hold the net sale proceeds of all such shares after deducting there from all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.

The Board is of the opinion that the decision of consolidation is in the best interest of the Members and hence recommends the three special resolutions for your approval.

A copy of Memorandum of Association of the Company along with the proposed amendments is available for inspection for the members of the Company at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said three resolutions, except to the extent of their equity holdings in the Company.

By order of the Board of Directors
For Everlon Synthetics Limited

-- Sd --

J.K.Vakharia
Managing Director
(DIN00047777)

Place:- Mumbai
Date:- 4th July, 2017

EVERLON SYNTHETICS LIMITED

DIRECTOR'S REPORT

To,
The Members,
The Board of Directors present their 28th Annual Report together with Financial Statements for the year ended 31st March, 2017.

1. OPERATIONS AND FINANCIAL RESULTS

	Year Ended 31/03/2017 (Rs. in Lacs)	Year Ended 31/03/2016 (Rs. in Lacs)
Sales	3922.71	3096.77
Other Income	7.38	7.28
Profit for the year before Depreciation, Exceptional Items & Tax	39.41	(21.18)
Less : Depreciation	21.99	23.37
Add : Exceptional items	-----	53.96
Profit before Tax	17.42	9.41
Less : Provision for Tax	3.50	1.80
Profit after tax	13.92	7.61
Add/Less: IT Provisions for earlier years	(0.40)	0.32
Add: Additional Depreciation written back	----	23.92
Profit for the year	13.52	31.85
Profit – (Loss) Brought forward from Previous Year	(68.36)	(100.21)
Profit/ (Loss) carried to Balance Sheet	(54.84)	(68.36)

2. PERFORMANCE

Your Company has managed to achieve reasonable good performance during the year in spite of difficult market conditions. The company has produced 4137.81 tons against 3292.73 tons during the previous year resulting in sales turnover of Re.3922.71 lacs as against Re.3096.77 lacs during the previous year.

3. DIVIDEND

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

4. DIRECTORS & KEY MANAGERIAL PERSONNEL

A) Changes in Directors and Key Managerial Personnel

Mrs. Varsha Jitendra Vakharia (DIN: 00052361), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks reappointment pursuant to Section 152 of the Companies Act, 2013

B) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, of individual Directors as well as the evaluation of the working of all Committees.

C) Declaration by an Independent Director(s)

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

5. AUDITORS

The appointment of M/s. K.S. Maheshwari & Co., Chartered Accountants, Member, Statutory Auditors of the Company, is valid upto conclusion of ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment. Directors recommend their re-appointment as Statutory Auditors of the Company.

6. DEPOSITS :

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Company has taken loans from Directors as per the details given in Financial Statements.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details required are given in the notes to the financial statements.

8. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act 2013, Directors of your Company hereby state and confirm that :-

- a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards, have been followed and there are no material departures from the same.
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the Company as at March 31, 2017 and of the profit of the company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. AUDITORS REPORT

Auditors notes are self-explanatory and do not call for any further comments. There are no qualifications in Auditors Report. There are no frauds reported by Auditors u/s.143(12) of the Companies Act 2013.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the Act, are provided in **Annexure A** to this report.

11. DETAILS OF COMMITTEES OF THE BOARD

The Board has constituted the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee . The Composition of aforesaid committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules made under and Listing / Regulations, are as follows:

A. Audit Committee:

The Audit Committee comprises of two Independent Directors namely Shri Dinesh P. Turakhia, Chairman and Shri Nitin I. Parikh and also Shri Jitendra K. Vakharia Managing Director as member. All recommendations made by the Audit Committee were accepted by the Board.

Details of establishment of vigil mechanism for directors and employees:

The Company has established vigil mechanism pursuant to Section 177(9) of the Companies Act, 2013 for Directors and Employees to report their concerns and has also taken steps to safeguard any person using this mechanism from victimization and in appropriate and exceptional cases, there is direct access to approach Mr. Dinesh P. Turakhia, Chairperson of the Audit Committee.

B. Nomination and remuneration committee:

The Board has constituted Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013. Mr. Dinesh P.Turakhia, Independent Director is the Chairman of the said Committee and Mr. Nitin I. Parekh, Independent Director and Mrs . Varsha J. Vakharia, Director are the members of the Committee. The Committee has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and other employees.

C. Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee comprises of Mr. Dinesh P. Turakhia, Independent Director as the Chairman of the Committee and Mr. Jitendra K. Vakharia, Managing Director and Mrs. Varsha J. Vakharia, Director as the members of the Committee. The role of the Committee is to consider and resolve securities holders' complaints. The complaints are responded resolved within the time frame provided.

12. SECRETARIAL AUDITOR

The Board has appointed M/s. A. M. Sheth & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2016-17, as required u/s.204 of the Companies Act, 2013 and the rules framed thereunder. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure B** to this Report, The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

13. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors duly met 4 times during the financial year from 1st April, 2016 to 31st March 2017. The dates on which the meetings were held are as follows:-

30th May 2016, 12th August 2016, 12th November 2016, and 13th February 2017.

14. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure C** to this Report.

15. RISK MANAGEMENT PLAN

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks facing business. There are no risks which threaten the existence of the company.

16. CORPORATE SOCIAL RESPONSIBILITY

Provisions of section 135 of the Companies Act, 2013 are not applicable to the company.

17. CORPORATE GOVERNANCE

The Company is adhering to good corporate governance practices in every sphere of its operations. The corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company as company's paid up capital is less than Rs.10 crores and net worth is less than Rs. 25 crores. Management Discussions and Analysis Report is attached herewith as **Annexure D**

18. CONTRACTS U/S. 188

All contract/arrangements / transactions entered by the company during the financial year with related parties were in ordinary course of business and on an arm's length basis. Form AOC2 giving details of contract is attached herewith as **Annexure E** .

19. INTERNAL FINANCIAL CONTROL

Adequate internal controls, systems, and checks are in place, commensurate with the size of the Company and the nature of its business.

20. DIRECTORS REMUNERATION

Remuneration policy for Directors, Key Managerial Persons and other employees is attached herewith as **Annexure F**.

Particulars of Directors Remuneration as required u/s. 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel)Rules 2014 are attached herewith as **Annexure G**.

21. CODE OF CONDUCT

Declaration by Managing Director under Para D of Schedule V of Listing Regulations 2015.

"I hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and Senior Management."

22. CONSOLIDATION OF SHARE CAPITAL

The Board of Directors have, subject to approval of Members, approved consolidation of every 10 equity shares of Re.1/- each to 1 equity share of Rs.10/- each, and consequential amendments be made in the Memorandum of Association and the Articles of Association of the Company and also the subscribed and fully paid up Equity Share Capital of the Company. The proposed consolidation is in the best interest of the members of the company.

23. RECLASSIFICATION OF SHAREHOLDER

The Board of Directors have, subject to approval of Members, approved an application received from one of the Members of the Company (Mrs. Leena D. Dadia Jt. with Ms. Ami D. Dadia holding 2562960 equity shares of the Company constituting 4.55% of the issued and paid-up share capital of Company}, requesting to reclassify them from “Promoter Category” to “Public Category”. The shareholding of Promoters after proposed re-classification will be 67.72% of the issued and paid-up share capital of Company. Mrs. Leena D. Dadia Jt. Ami D. Dadia (Applicant) are related to Shri Jitendra K. Vakharia and Smt. Varsha J. Vakharia, Directors of the Company.

24. EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT UNDER REGULATION 39 AND SCHEULDE VI OF LISTING REGULATIONS

Details of Equity shares in Unclaimed Suspense Account under Regulations 39 and Schedule VI are as follows:-

Description	No. of Records	No of Equity Shares of Re.1/- each
No. of shareholders and outstanding shares at the beginning of the year	435	7,33,800
No. of shareholder's request received for transfer of shares during the year	2	6,600
No. of shareholders to whom shares transferred During the year	2	6,600
No. of shareholders and outstanding shares at the end of the year	433	7,27,200

The voting rights on the above shares shall remain frozen till the rightful owner of such shares claim the shares

25. GENERAL DISCLOSURES

No disclosure is required in respect of following matters:-

- (a) Subsidiary Associate or Joint Venture Company.
- (b) Material orders passed by the Regulators, or Courts or Tribunals.
- (c) Equity shares with differential rights.
- (d) Sweat equity shares.
- (e) Employee Stock Options Scheme.
- (f) Particulars of Employees. (no employee is in receipt of remuneration of Rs. 1.02 crore p.a. or Rs. 8.50 lakhs per month.)
- (g) Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013. (No cases filed).

26. 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 Director

-- Sd --
J. K. Vakharia
 Managing Director
 (DIN 00047777)

-- Sd --
V. J. Vakharia
 Director
 (DIN 00052361)

Place :- Mumbai
 Date :- 4th July 2017

ANNEXURE A

DIRECTOR'S REPORT 2016-2017

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) Companies (Accounts) Rules, 2014 are provided below.

(A) CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy : Energy conservation continues to receive priority attention at all levels.
- (ii) the steps taken by the company for utilising alternate sources of energy All efforts are made to conserve and optimise use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
- (iii) the capital investment on energy conservation equipment No Capital has been earmarked separately for Energy Conservation equipment.

(B) TECHNOLOGY ABSORPTION

NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUT GO:

Foreign Exchange earned :	NIL
Foreign Exchange outgo :	NIL

ANNEXURE – B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Everlon Synthetics Limited,
Regent Chambers, 6th Floor,
208, Nariman Point,
Mumbai-400021.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Everlon Synthetics Limited**(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2017 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;

(vi) There are no specific laws applicable to the Company, as confirmed by the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS.1 relating to meetings of Board of Directors & SS.2 relating to General Meetings) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

-As the Company falls in ambit of criterion specified u/ R. 15 (2) of LODR, certain regulations are not applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at board meetings and Committee meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

FOR A. M. SHETH & ASSOCIATES.
(Company Secretaries)

-- Sd --
AMI SHETH
Prop.
ACS No. 24127
CP No. 13976

Place: Mumbai

Date: 29TH May, 2017

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report

Annexure-A

The Members,
Everlon Synthetics Limited,
Regent Chambers, 6th Floor,
208, Nariman Point,
Mumbai-400021.

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR A. M. SHETH & ASSOCIATES.
(Company Secretaries)

-- Sd --
AMI SHETH
Prop.
ACS No. 24127
CP No. 13976

Place: Mumbai
Date: 29TH May, 2017

Annexure C

EXTRACT OF ANNUAL RETURN FORM MGT 9

(Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31.03.2017

I. REGISTRATION & OTHER DETAILS:

1	CIN	L17297MH1989PLC052747
2	Registration Date	26 th July, 1989
3	Name of the Company	Everlon Synthetics Ltd.
4	Category/Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	67, Regent Chambers, Nariman Point, Mumbai - 400021 Tel: 2204 9233, 2204 2788 Fax: (022) 2287 0540
6	Whether listed company	Yes (Listed on BSE)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sr. No.	Name & Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1.	Polyester Texturised Yarn	-----	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held Associate	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN

(Equity Share Capital Break up as percentage of total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	a) Individual/HUF	34883175	Nil	34883175	62.045	36257052	Nil	36257052	64.489	2.444
	b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	d) Bodies Corp.	4600690	Nil	4600690	8.183	4370992	Nil	4370992	7.774	-0.409
	e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	f) Any Other									
	Sub-total (A) (1):-	39483865	0	39483865	70.228	40628044	0	40628044	72.263	2.035
	(2) Foreign									
	a) NRIs- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	d) Banks / F1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total shareholding	39483865	0	39483865	70.228	40628044	0	40628044	72.263	2.035
	of Promoter (A)=(A)(1) +(A)(2)									
B.	Public Shareholding									
	a) Mutual Funds/Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	d) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	f) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	g) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	i) Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

EVERLON SYNTHETICS LIMITED

	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	2. Non-Institutions									
	a) Bodies Corp.	256149	12000	268149	0.477	953346	12000	965346	1.717	1.240
	i) Indian									
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs.1 lakh	4580421	2188329	6768750	12.039	4338291	2155841	6494132	11.551	(0.488)
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	4370874	733800	5104674	9.079	4151599	0	4151599	7.384	-1.695
	c) Others NRI	4594562	0	4594562	8.172	3953529	0	3953529	7.032	-1.140
	Clearing Members	2400	0	2400	0.004	29750	0	29750	0.053	0.049
	Sub-total (B)(2)	13804406	2934129	16738535	29.771	13426515	2167841	15594356	27.737	-2.034
	Total Public Shareholding									
	(B)=(B)(1)+ (B)(2)	13804406	2934129	16738535	29.771	13426515	2167841	15594356	27.737	-2.034
	C. Shares held by									
	Custodian for	0	0	0	0	0	0	0	0	0
	GDRs & ADRs.									
	Grand Total (A+B+C)	53288271	2934129	56222400	100	54054559	2167841	56222400	100	0

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	No of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	
1	Everest Yarn Agency P.Ltd.	300820	0.535	Nil	300820	0.535	Nil	0
2	Everlon Solar Energy P.Ltd.	1488000	2.647	Nil	1488000	2.647	Nil	0
3	Omkar Texolene Pvt.Ltd.	300260	0.534	Nil	300260	0.534	Nil	0
4	Vakharia Synthetics Pvt.Ltd.	2281912	4.059	Nil	2281912	4.059	Nil	0
5	Vakharia Financial Services Ltd.	229698	0.409	Nil	0	0.000	Nil	-0.409
6	Jitendra K. Vakharia (HUF)	12213188	21.723	Nil	12213188	21.723	Nil	0
7	Tarun K. Vakharia (HUF)	10165	0.018	Nil	10165	0.018	Nil	0.000
8	Jitendra K. Vakharia	11341120	20.172	Nil	11356364	20.199	Nil	0.027
9	Dhiren Uttamchand Dadia	1189632	2.116	Nil	0	0.000	Nil	-2.116
10	Mrudu K. Vakharia	45600	0.081	Nil	0	0.000	Nil	-0.081
11	Varsha J. Vakharia	6034136	10.733	Nil	7392769	13.149	Nil	2.416
12	Kantilal V. Vakharia (HUF)	324000	0.576	Nil	324000	0.576	Nil	0
13	Prachi J. Vakharia	2352006	4.183	Nil	2352006	4.183	Nil	0
14	Lina Dhiren Dadia	1373328	2.443	Nil	2562960	4.559	Nil	2.116
15	Neela T. Vakharia	0	0.000	0	45600	0.081	Nil	0.081
	Total	39483865	70.229	Nil	40628044	72.263	Nil	2.034

iii) Change in Promoters' Shareholding

SI No.		No of Shares at the beginning of the year As of 01/04/2016		Increase/Decrease in shareholding			No of Shares at the end of the year As of 31/03/2017	
		No. of Shares	% total of shares	Date	No. of Shares	Reason	No. of Shares	% total of shares
1	VARSHA JITENDRA VAKHARIA	6034136	10.733	01/04/2016				
				15/04/2016	10750	Buy	6044886	10.752
				22/04/2016	75790	Buy	6120676	10.887
				29/04/2016	8289	Buy	6128965	10.901
				06/05/2016	4875	Buy	6133840	10.91
				13/05/2016	13275	Buy	6147115	10.934
				20/05/2016	11050	Buy	6158165	10.953
				10/06/2016	20000	Buy	6178165	10.989
				24/06/2016	235838	Buy	6414003	11.408
				30/06/2016	8900	Buy	6422903	11.424
				08/07/2016	8899	Buy	6431802	11.44
				15/07/2016	2900	Buy	6434702	11.445
				29/07/2016	6666	Buy	6441368	11.457
				05/08/2016	3251	Buy	6444619	11.463
				19/08/2016	7500	Buy	6452119	11.476
				26/08/2016	7450	Buy	6459569	11.489
				02/09/2016	29409	Buy	6488978	11.542
				09/09/2016	205099	Buy	6694077	11.906
				16/09/2016	675	Buy	6694752	11.908
				23/09/2016	2650	Buy	6697402	11.912
				30/09/2016	649	Buy	6698051	11.913
				21/10/2016	7300	Buy	6705351	11.926
				28/10/2016	250	Buy	6705601	11.927
				04/11/2016	225	Buy	6705826	11.907
				25/11/2016	3000	Buy	6708826	11.933
				02/12/2016	2400	Buy	6711226	11.937
				09/12/2016	2600	Buy	6713826	11.942
				16/12/2016	1350	Buy	6715176	11.944
				23/12/2016	6062	Buy	6721238	11.955
				30/12/2016	2600	Buy	6723838	11.959
				06/01/2017	7373	Buy	6731211	11.972
13/01/2017	268	Buy	6731479	11.973				
20/01/2017	750	Buy	6732229	11.974				
24/02/2017	900	Buy	6733129	11.976				
03/03/2017	3056	Buy	6736185	11.981				
17/03/2017	646984	Buy	7383169	13.132				
	Closing Balance			31/03/2017	9600	Buy	7392769	13.146
2	LINA DHIREN DADIA	1373328	2.443	01/04/2016				
				13/01/2016	1189632	Transfer	2562960	4.559
							31/03/2017	
	Closing Balance			31/03/2017			2562960	4.559
3	DHIREN UTTAMCHAND DADIA	1189632	2.116	01/04/2016				
							13/01/2017	-1189632

EVERLON SYNTHETICS LIMITED

SI No.		No of Shares at the beginning of the year As of 01/04/2016		Increase/Decrease in shareholding			No of Shares at the end of the year As of 31/03/2017	
		No. of Shares	% total of shares	Date	No. of Shares	Reason	No. of Shares	% total of shares
4	M/s. Vakharia Financial Services Ltd.	229698	0.409	01/04/2016				
				02/09/2016	-25000	Sold	204698	0.364
	Closing Balance			09/09/2016	-204698	Sold	0	0
5	JITENDRA K. VAKHARIA	11341120	20.172	01/04/2016				
				22/04/2016	3704	Buy	11344824	20.178
				13/05/2016	3200	Buy	11348024	20.184
				20/05/2016	1700	Buy	11349724	20.187
				10/06/2016	100	Buy	11349824	20.187
				26/08/2016	2790	Buy	11352614	20.193
				23/09/2016	550	Buy	11353164	20.199
				Closing Balance	31/03/2017			11353164
6	Neela Tarun Vakharia	0	0	01/04/2016				
				06/06/2016	45600	Buy	45600	0.081
7	Mrudu Kantilal Vakharia	45600	0.081	01/04/2016				
				24/05/2016	45600	Sold	0	0
				Closing Balance				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No		No of Shares at the beginning (01/04/2016) / end of the year (31/03/2017)	% of Total Shares of the company.	Date	Increase / Decrease in shares	Reason	No. of Shares	% of total Shares of the company]
1	ABIRAMI ARUNACHALAM	1200000	2.134	01/04/2016				
	Closing Balance			31/03/2017		No Change	1200000	2.134
2	EVERLON SYNTHETICS LTD.	733800	1.305	01/04/2016				
				21/10/2016	-6000	Sold	727800	1.295
				03/03/2017	-600	Sold	727200	1.293
				Closing Balance	31/03/2017			72700
3	ALPESH A GANDHI	308501	0.549	01/04/2016				
	Closing Balance			31/03/2017		No Change	332820	0.592
4	MUJEEBUR RAHMAN HABEEB	2572086	4.575	01/04/2016				
				04/11/2016	1	Buy	2572087	4.575
				Closing Balance	31/03/2017			2572087
5	SANGEETHA S	332820	0.592	01/04/2015				
	Closing Balance			31/03/2017		No Change	332820	0.592
6	KEYUR MAHESH SHAH	533981	0.95	01/04/2016				
	Closing Balance			31/03/2017		No Change	533981	0.95
7	AMI DHIREN DADIA	800886	1.424	01/04/2016				
	Closing Balance			31/03/2017		No Change	800886	1.424
8	LALIT CHANDRAKANT SHAH (HUF)	653273	1.162	01/04/2016				
				31/03/2017		No Change	653273	1.162

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Sr. No		No of Shares at the beginning (01/04/2016) / end of the year (31/03/2017)	% of Total Shares of the company.	Date	Increase / Decrease in shares	Reson	No. of Shares	% of total Shares of the company]
9	LALIT CHANDRAKANT SHAH	560621	0.997	01/04/2016				
				03/02/2017	175	Buy	560796	0.997
				02/10/2017	1995	Buy	562791	1.001
				17/02/2017	3000	Buy	565791	1.006
	Closing Balance			31/03/2017			565791	
10	NILESH DHIRAJLAL SHAH	641034	1.14	01/04/2016				
	Closing Balance					17/03/2017	-641034	Sold
11	ANKITA VISHAL SHAH	200000	0.356	01/04/2016				
				29/04/2016	10	Buy	200010	0.356
				02/02/2016	3909	Buy	203919	0.363
				09/09/2016	10	Buy	203929	0.363
				16/09/2016	10740	Buy	214669	0.382
				23/09/2016	910	Buy	215579	0.383
				30/09/2016	120	Buy	215699	0.384
				07/10/2016	10	Buy	215709	0.384
				14/10/2016	100	Buy	215809	0.384
				21/10/2016	-947	Buy	214862	0.382
				28/10/2016	10	Buy	214872	0.382
				04/11/2016	20	Buy	214892	0.382
				30/12/2016	-600	Sold	214292	0.381
				13/01/2017	-100	Sold	214192	0.381
				20/01/2017	109	Buy	214301	0.381
				27/01/2017	-2897	Sold	211404	0.376
				03/02/2017	100	Buy	211504	0.376
02/10/2017	61	Buy	211565	0.376				
24/03/2017	-972	Sold	210593	0.375				
	Closing Balance			31/03/2017			210593	0.375
12	MRUDU KANTILAL VAKHARIA	45600	0.081	01/04/2016				
	Closing Balance					06/10/2016	-45600	Sold

v) Shareholding of Directors and Key Managerial Personnel:

SI No.	Shareholder's Name	No of Shares at the beginning (01-04-2015)/ end of the year			Share holding at the end of the year Year 31-03-2017			% total of shares
		(31-03-2016) 31-03-2017)			Increasing / Decreasing in shareholding	Reason	No. of Shares	
			% total of shares	Date				
1	DINESH P. TURAKHIA	13000	0.023	01/04/2016				
	Closing Balance			31/03/2017		No Change	13000 0.023	
2	PRADEEP K PAREEK	45400	0.081	01/04/2016				
	Closing Balance			31/03/2017		No Change	45400 0.081	
3	NITIN I. PARIKH	0	0	01/04/2016				
	Closing Balance			31/03/2017		No Change	0 0	
4	SANDEEP S. GUPTA	0	0	01/04/2016				
	Closing Balance			31/03/2017		No Change	0 0	

V. INDEBTEDNESS: (Rs. in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars Secured Loans	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal Amount	373.21	92.50	0	465.71
2) Interest due but not paid	0	0	0	
3) Interest accrued but not due	0	0	0	0
Total of (1+2+3)	373.21	92.50	0	465.71
Change in Indebtedness during the financial year				
+ Addition	4091.81	26.80	0	4118.61
- Reduction	4183.93	96.80	0	4280.73
Net change	-92.12	-70.00	0	-162.12
Indebtedness at the end of the financial year - 31.03.2017				
1) Principal Amount	281.09	22.50	0	303.59
2) Interest due but not paid	0	0	0	0
3) Interest accrued but not due	0	0	0	0
Total of (1+2+3)	281.09	22.50	0	303.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
		Jitendra K. Vakharia	
1.	Gross salary	540000	540000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites 17() Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary Under section 17(3) of Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil
5.	Others, please specify Total (A) Ceiling as per the Act	540000	540000

B. Remuneration of other directors:

I. Independent Directors:-

Particulars of Remuneration	Name of Directors		Total Amount
	Dinesh P. Turakhia	Nitin I. Parikh	
Fee for attending board committee meetings	3000	2000	5000
Commission	0	0	0
Others	0	0	0
Total (1)	3000	2000	5000

II. Other Non-Executive Directors:-

Other Non-Executive Directors	Name of Non-Executive Directors	Total Amount
	Varsha J Vakharia	
Fee for attending board committee meetings	3000	3000
Commission	0	0
Others	0	0
Total (2)	3000	3000
Total B = (1+2)		8000

C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD

Sr. No	Particulars of Remuneration	Name of KMP		Total Amount
		Pradeep K. Pareek CFO	Sandeep S. Gupta Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	2,32,448	3,60,000	592448
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - As % of Profit - Others, specify	0	0	0
5	Others, please specify Provident Fund & other Funds	0	0	0
	Performance Bonus	0	0	0
	Total (C)	232448	360000	592448

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty Punishment Compounding			None		
B. DIRECTORS					
Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			None		

For and on Behalf of the Board of Directors

--Sd--
JITENDRA K. VAKHARIA
DIRECTOR
(DIN 00047777)

--Sd--
VARSHA J. VAKHARIA
DIRECTOR
(DIN 00052361)

Place : Mumbai
Date : 4th July 2017

ANNEXURE - D

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Outlook:-

For the year under review, due to improvement economic conditions, the demand for Polyester Texturised Yarn had increased. For the current year, the company is confident that the demand for Polyester Yarn will further increase and the Sales will register a healthy growth.

B. Opportunities:-

The economy is expected to improve substantially during the Current Fiscal and the Textiles Industry is likely to register an growth of 6% to 8%. Moreover due to likely implementation of G.S.T. w.e.f. 1st July 2017, the fabric manufacturing sector presently an unorganized sector, will move to the formal sector thereby benefiting the Company.

C. Segment:-

The Company has only one reporting segment, namely Textiles.

D. Risk and Concerns:-

The GST implementation wef 01/07/2017 may disrupt the Textile Trade for a short period.

E. Internal Control Systems:-

The management reviews the control systems and procedures periodically to upgrade them. Presently the Internal Control System are commensurate to the size and operations of the company.

F. Performance:-

During the year under review, the demand of Polyester Yarn increased substantially resulting in better off take. As a result, the sales increased from Rs.3096.77 lacs (for the FY 2015-16) to Rs.3922.71 7 lacs (for the FY 2016-17) under review.

G. Industrial Relations:-

Harmonious industrial relations continue to prevail during the year. Total numbers of employees as on 31st March 2017 were 36.

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.

Annexure E

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Not Applicable as all transactions are on Arm's Length basis

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Teekay International & Directors Interested
	Nature of contracts/arrangements/transaction	Lease Rent
	Duration of the contracts/arrangements/transaction	11 months
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.25,000/- p.m.
	Date of approval by the Board	3 rd February 2016
	Amount paid if any	Rs.3,00,000/-

For and on Behalf of the Board of Directors

--Sd--
JITENDRA K. VAKHARIA
 DIRECTOR
 (DIN 00047777)

--Sd--
VARSHA J. VAKHARIA
 DIRECTOR
 (DIN 00052361)

Place : Mumbai
 Date : 4th July 2017

ANNEXURE - F**Remuneration Policy****A. Remuneration Policy for Executive Directors**

- a) The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the HR & Remuneration Committee.
- b) Remuneration of the Chairman and Managing Director and Executive Directors consist of a fixed component and commission based on the net profits of each financial year. The commission amount is linked to the Net profit of each year. The increase in fixed salary is recommended by the HR Committee based on the general industry practice .

B. Remuneration Policy for Non-Executive Directors

Non-Executive Directors of a Company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role. For best utilizing the Non - Executive Directors, the Company has constituted certain Committees of the Board.

Remuneration payable:

S r . No.	Particulars	Remuneration	Remarks
1	Sitting Fees: For Board Meetings	As may be decided by Board from time to time.	a) As per the limits prescribed by the Companies Act. b) Approval – Board
2	For Committee Meetings	At present, company does not pay any sitting fees for attending committee meetings.	a. As per the limits prescribed by the Companies Act. b. Approval – Board (An Independent Director shall not be entitled to any stock option.)

C. Remuneration Policy for Senior Managers

1. The Company while deciding the remuneration package of the senior management members takes into consideration the employment scenario, remuneration package prevailing in the industry and remuneration package of the managerial talent of other comparable industries.
2. The remuneration to senior management employees comprises of two broad terms – Fixed Remuneration and Variable remuneration in the form of performance incentive.
3. Annual increase in fixed remuneration is reviewed and then approved by the HR and Remuneration Committee.
(Policy amended on 29th May 2017)

Annexure – G

(A) REMUNERATION OF DIRECTORS / KEY MANAGERIAL (KMP)

The information required pursuant to Section 197 read with Rule 5 The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the Company and Directors is furnished hereunder:-

S. NO.	Name	Designation	Remuneration Paid Rs. F.Y.2016-17	Director Sittings Fees Paid Rs F.Y.2016-17
1	Shri Jitendra K.Vakharia	Managing Director	5,40,000/-	----
2	Smt Varsha J.Vakharia	Director	---	3,000/-
3	Shri Dinesh P.Turakhia	Independent Director	---	3,000/-
4	Shri Nitin I. Parekh	Independent Director	---	2,000/-
5	Shri Sandeep S. Gupta	Company Secretary	3,60,000/-	----
6	Shri Pradeep K.Pareek	Chief Financial Officer	2,32,448/-	----

(B) PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL REMUNERATION

(i) The information required pursuant to Section 197 read with Rule 5(1) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished hereunder:-

Name	Designation	Ratio of Remuneration of each Director or KMP to median remuneration of employees	% increase in remuneration during F.Y.2016-17	Comparison of the remuneration of each KMPs against the performance of the company
Jitendra K. Vakharia	Managing Director	3.78 times	100%	Compared to F.Y 2015-16 Revenue increased by 26.61% and EBITDA Increased by 72.61%
Pradeep K. Pareek	Chief Financial Officer	1.62 times	4.24%	
Sandeep S. Gupta	Company Secretary	2.5 times	1.63%	

(ii) The median remuneration of employees decreased by 2.93% in F.Y. 2016-17.

(iii) The number of permanent employees on the rolls of the Company as on 31st March 2017 is 36 nos.

(iv) The average increase in remuneration paid to employees is 11.37% for F.Y. 2016-17 as compared to F.Y. 2015-16 , the revenue in F.Y. 2016-17 increased by 26.61% & EBITDA increased by 72.61%.

(v) The total remuneration of KMPs increased by 182% while the revenue in FY 2016-17 increased by 26.61% and EBITDA increased by 72.61%.

(vi) There is no direct relationship between average increase in the remuneration of employees and Key Managerial Personnel with year to year financial performance of the Company.

(vii) None of the employees (who are not Directors) receive remuneration in excess of the highest paid Director.

(viii) It is hereby affirmed that the remuneration paid during FY2016-17 is as per the remuneration policy of the Company.

Information under Rule 5 (2) and 5 (3) of the companies (Appointment and remunerations of managerial personnel) Rule 2014.

There are no employees drawings remunerations as stated in the aforesaid Rules 5 (2) and 5 (3).

INDEPENDENT AUDITORS' REPORT

**To the Members of
EVERLON SYNTHETICS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **Everlon Synthetics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 of the financial statements that give true and fair view 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 companies directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2017.
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date,

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in its terms of sub-section (11) of section 143 of Companies Act 2013, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by section 143 (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 it 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 section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
 - f) with respect to the adequacy of the internal Financial Controls over Financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure "B".
 - g) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
 - 1) The Company does not have any pending litigations which would impact its financial position.
 - 2) The Company did not have any long-term contracts for which there were any material foreseeable losses.
 - 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - 4) The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the company.

For **K.S. MAHESHWARI & CO.**
CHARTERED ACCOUNTANTS
(FIRM REGN NO. 105846W)

--Sd--
K.S. MAHESHWARI
PARTNER
M NO.39715

Place : Mumbai.
Dated: 29th May 2017

Annexure “A” to the Independent Auditors’ Report

The Annexure ‘A’ referred to in paragraph 1 under “Report on Other Regulatory Requirements” section of our report of even date.

- (i) In Respect of its Fixed Assets:
- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) In Respect of its inventory:
- According to the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.
- (iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) According to information and explanations given to us the company has not accepted any deposits during the year.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of 148 of the Companies Act’ 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The company is generally regular in depositing undisputed statutory dues including provident fund employees’ state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, sales-tax, service tax, duty of customs, duty of exercise, value added tax, cess and any other statutory dues in arrears as at March 31, 2017 for period of more than six months from the date they became payable.
- (viii) The company has not defaulted in repayment of loans or borrowing from any financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised money by way of further public offer by Right Issue to the shareholder and Term loans during the year.
- (x) We have not noticed or reported any fraud by the company or any fraud on the Company by its officers or employees during the year.
- (xi) The Company is not a Nidhi Company hence clause is not applicable during the year.

EVERLON SYNTHETICS LIMITED

- (xii) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xiii) According to the information given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with;
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **K.S. MAHESHWARI & CO.**
CHARTERED ACCOUNTANTS
(FIRM REGN NO. 105846W)

--Sd--
K.S. MAHESHWARI
PARTNER
M NO.39715

Place : Mumbai.
Dated: 29th May 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EVERLON SYNTHETICS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Everlon Synthetics Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financing Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financing Reporting

Because of the inherent limitations of internal financial controls over financing reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subjected to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate .

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.S. MAHESHWARI & CO.
CHARTERED ACCOUNTANTS
(FIRM REGN NO. 105846W)**

--Sd--

**K.S. MAHESHWARI
PARTNER
M NO.39715**

Place : Mumbai.
Dated: 29th May 2017

EVERLON SYNTHETICS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	Current Year As at 31 March 2017	Previous Year As at 31 March 2016
(Rupees)			
I. EQUITY AND LIABILITIES			
1. Shareholders Funds			
a) Share Capital	1	56241000	56241000
b) Reserves & Surplus	2	2300140	947740
		<u>58541140</u>	<u>57188740</u>
2. Non-Current Liabilities			
a) Long-term Borrowings	3	2250000	10719969
b) Deferred tax liabilities		-	-
c) Long-term Provisions	4	2456627	2138772
		<u>4706627</u>	<u>12858741</u>
3. Current Liabilities			
a) Short-term Borrowings	5	28109104	37321368
b) Trade Payables	6	5963217	6308035
c) Other Current liabilities	7	315112	651117
d) Short-term provisions	8	350000	180000
		<u>34737433</u>	<u>44460520</u>
TOTAL (1+2+3)		<u>97985200</u>	<u>114508001</u>
II. ASSETS			
1 Non-Current assets			
a) Fixed Assets			
(i) Tangible assets	9	35858645	37997333
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
b) Non-Current investments	10	0	302500
c) Deferred tax assets		-	-
d) Long-term loans and advances	11	195744	800365
e) Other non-current assets	12	1702170	5251319
		<u>37756559</u>	<u>44351517</u>
2. Current Assets			
a) Current Investments		-	-
b) Inventories	13	28236648	31177589
c) Trade Receivables	14	17609541	20899379
d) Cash and cash equivalents	15	2191572	4257117
e) Short-term Loans and Advances	16	312155	380975
f) Other current assets	17	11878725	13441424
		<u>60228641</u>	<u>70156484</u>
TOTAL (1+2)		<u>97985200</u>	<u>114508001</u>
Notes forming part of the Accounts	1 to 24		
Additional Notes forming part of accounts	25		

As per our report of even date

for **K. S. MAHESHWARI & CO.**
CHARTERED ACCOUNTANTS
(FIRM REGN NO. 105846W)

--Sd--

K. S. MAHESHWARI
(Partner)
M.No. 39715

Place : Mumbai
Date : 29th May, 2017

For and on behalf of the
Board of Directors

--Sd--

S.S.GUPTA
Company Secretary

--Sd--

P.K.PAREEK
Chief Financial Officer

--Sd--

J.K.VAKHARIA
Managing Director
(DIN 00047777)

--Sd--

V.J.VAKHARIA
Director
(DIN 00052361)

EVERLON SYNTHETICS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017.

PARTICULARS	Note No.	Current Year Ended 31 March 2017	Previous Year Ended 31 March 2016
(Rupees)			
I. Revenue from Operations	18	392271477	309677137
II. Other Income	19	737746	728294
III. Total Revenue (I+II)		393009223	310405431
IV. Expenses			
Cost of Material Consumed	20	342250368	264574042
Purchase of stock-in-Trade		-	-
Changes in inventories of finished goods- work-in-progress and stock-in-trade	21	4319639	8620283
Employee benefits expenses	22	6664309	6031648
Finance Costs	23	3394672	6367507
Depreciation & amortisation expenses	9	2199303	2337574
Other Expenses	24	32438922	26929700
Total Expenses		391267213	314860754
V. Profit before exceptional and extraordinary items and tax (III-IV)		1742010	(4455323)
VI. Exceptional Items		0	5396188
VII. Profit before extraordinary items and tax (V-VI)		1742010	940865
VIII. Extraordinary Items		0	0
IX. Profit before tax (VII-VIII)		1742010	940865
X. Tax Expense :			
(1) Current Tax		(350000)	(180000)
(2) Deferred Tax			
XI. Profit/(Loss) for the period from continuing operations after tax(IX-X)		1392010	760865
XII. Profit/(Loss) for the period		1392010	760865
Earning per share Basic & Diluted		0.02	0.01
Notes forming part of the Accounts	1 to 24		
Additional Notes forming part of accounts	25		

As per our report of even date
for K. S. MAHESHWARI & CO.
CHARTERED ACCOUNTANTS
(FIRM REGN NO. 105846W)

For and on behalf of the
Board of Directors

--Sd--
K. S. MAHESHWARI
(Partner)
M.No. 39715

--Sd--
S.S.GUPTA
Company Secretary

--Sd--
J.K.VAKHARIA
Managing Director
(DIN 00047777)

Place : Mumbai
Date : 29th May,2017

--Sd--
P.K.PAREEK
Chief Financial Officer

--Sd--
V.J.VAKHARIA
Director
(DIN 00052361)

EVERLON SYNTHETICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2017

	2016-2017 (Rs.)	2015-2016 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before Tax and Extraordinary items	1742010	940865
Adjustment for :		
Depreciation	2199303	2337574
Dividend Received	(110410)	(23583)
Interest Received	(236750)	(458180)
Other Non-operating Income	0	(246531)
Interest Paid	3394672	6367507
(Excess) /Short provision for income tax provided	39610	(32169)
(Profit)/Loss on Sale of Shares	(98019)	427374
(Profit)/Loss on Sale of Assets	0	(5396188)
Operating profit before working capital charges	<u>6930416</u>	<u>3916669</u>
Adjustment for :		
Trade and Other Receivables	8449560	239185
Inventories	2940941	(11928596)
Trade Payable	<u>305879</u>	<u>726283</u>
NET CASH USED FROM OPERATING ACTIVITIES	18626796	(7046459)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(60615)	0
Sale of Fixed Assets	0	(5403000)
Assets Written off	0	4459341
Profit/ (Loss) on Sale of Assets	0	5396188
Dividend Received	110410	23583
Interest Received	236750	458180
Share Premium on Right Issue	0	7784507
Depreciation Written Back	0	2391611
Profit/ (Loss) on Sale of Shares	<u>98019</u>	<u>(427374)</u>
NET CASH USED FROM INVESTING ACTIVITIES	384564	14683036
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Secured Loans	(9212264)	3528299
Proceeds from Unsecured Loans	(8469969)	21038545
(Increase) /Decrease in capital	0	(25948800)
Interest Paid	<u>(3394672)</u>	<u>(6367507)</u>
NET CASH FROM INVESTING ACTIVITIES	(21076905)	(7749463)
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(2065545)	(112886)
CASH & CASH EQUIVALENTS :-		
Opening Balance in the begning of the year	4257117	4370003
Closing Balance at the end of the year	2191572	4257117
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	<u>(2065545)</u>	<u>(112886)</u>

As per our report of even date

for K. S. MAHESHWARI & CO.
CHARTERED ACCOUNTANTS
(FIRM REGN NO. 105846W)

--Sd--

K. S. MAHESHWARI
(Partner)
M.No. 39715For and on behalf of the
Board of Directors

--Sd--

S.S.GUPTA
Company Secretary

--Sd--

J.K.VAKHARIA
Managing Director
(DIN 00047777)

--Sd--

P.K.PAREEK
Chief Financial Officer

--Sd--

V.J.VAKHARIA
Director
(DIN 00052361)

Place : Mumbai

Date : 29th May,2017

EVERLON SYNTHETICS LIMITED

ACCOUNTING YEAR ENDED 31ST MARCH 2017

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rupees)

NOTE - 1 SHARE CAPITAL	Current Year Ended 31 March 2017	Previous Year Ended 31 March 2016
AUTHORISED		
10,00,00,000 Equity Shares of Rs.1/- each	100000000	100000000
	100000000	100000000
ISSUED		
5,62,22,400 Equity Shares of Rs.1/- each	56222400	56222400
	56222400	56222400
SUBSCRIBED AND PAID UP		
5,62,22,400 Equity Shares of Rs.1/- each fully paid up	56222400	56222400
Add:Paid up value of Shares	18600	18600
Forfeited 31200 Equity Shares of Rs.1/-each		
TOTAL	56241000	56241000

a) Rights and Restrictions of the Equity Shares holders

Following are the rights attached to 56222400 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	12213188	21.72
Jitendra K.Vakharia	11356364	20.20
Varsha J.Vakharia	7392769	13.15

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 Nil) convertible into Equity/Preferential Shares.

g) There are no calls unpaid (Previous year Nil) including calls unpaid by Directors and Officers as on balance sheet date.

h) Reconciliation of Number of Shares outstanding at the beginning and at the end of the year.

	Current Year <u>31/03/2017</u>	Previous Year <u>31/03/2016</u>
(a) Shars outstanding at the beginning of the year	56222400	30273600
(b) Right Shares issued during the year	--	25948800
(c) Shares brought back during the year	--	--
(b) Shares outstanding at the end of the year	56222400	56222400

NOTE 2 - Reserve & Surplus

	Current Year Ended <u>31.03.2017</u>	Previous Year Ended <u>31.03.2016</u>
		(Rupees)
Particulars		
a) Capital Reserve	-	-
b) Capital Redemption Reserve	-	-
c) Securities Premium Reserve - Opening Balance	7784507	0
Add : Additional during the year	-	7784507
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	<u>7784507</u>	<u>7784507</u>
h) Surplus		
As per Last Balance Sheet	(6836767)	(10021412)
Add:- Surplus for the current year	1392010	760865
Add:-Short Provision / Excess provision W/back / off	(39610)	32169
Add:-Additional Depreciation W/Back (Note:26(1) (b)(v)	0	2391611
	<u>(5484367)</u>	<u>(6836767)</u>
Less: Transferred to General Reserve		
Proposed Dividend	-	-
Tax on Dividend	-	-
Balance	<u>(5484367)</u>	<u>(6836767)</u>
Gross Total (g+h)	<u>2300140</u>	<u>947740</u>

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

NOTE 3 - Long Term Borrowings

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Bonds / Debentures	-	-
b) Term loan from Bank (Secured)	-	-
c) Deferred payments Liabilities	-	-
d) Deposits	-	-
e) Loans and Advances from related parties (Unsecured)		
i) Loan received from Companies	-	1469969
ii) Loan received from Directors	2250000	9250000
f) Long term maturities of finance lease obligations	-	-
g) Other loans & Advances	-	-
TOTAL	2250000	10719969

NOTE 4 - Long-Term Provisions

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Provisions for employees benefits (Gratuity)	2456627	1968772
b) Others (Provision for Taxation)	-	170000
TOTAL	2456627	2138772

NOTE 5 - Short Term Borrowings

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Secured Repayable on demand from Banks		
Overdraft from Bank (Secured)	28109104	37321368
(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)		
TOTAL	28109104	37321368

NOTE 6 - Trade Payables

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Due to Micro,Small & Medium Enterprises	-	-
b) Others	5963217	6308035
TOTAL	5963217	6308035

NOTE 7 - Other Current Liabilities

Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Current Maturities of long term debts (Term Loan)	-	-
b) Current Maturities of finance lease obligations	-	-
c) Interest accrued but not due on borrowings	-	-
d) Interest accrued and due on borrowings	-	-
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	-	-
l) Unpaid matured debentures and interest accrued thereon	-	-
j) Other payables	-	-
Other Liabilities	255386	453848
Statutory Liability	59726	197269
Advance received from Customers & others	-	-
TOTAL	315112	651117

NOTE 8- Short-term Provisions

Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Provision for employees benefit	-	-
b) Others	-	-
Provision for Tax	350000	180000
TOTAL	350000	180000

NOTE 9 - FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As at 01/04/16	Additions	Deductions	As at 31/03/17	As at 01/04/2016	Additional Dep. as per New Co.Act.2013	For the year	Deductions	As at 31/03/17	As at 31/03/17	As at 31/03/16
Tangible Assets											
Land at Dadra	2078580	0	0	2078580	0	0	0	0	0	2078580	2078580
Factory Building	15409711	0	0	15409711	11378559	0	382959	0	11761518	3648193	4031152
Plant & Machinery	42631974	0	0	42631974	11360181	0	1620015	0	12980196	29651776	31271791
Computers	559562	22325	0	581887	549246	0	6515	0	555761	26126	10316
Furniture & Fixtures	565573	38290	0	603863	494124	0	24280	0	518404	85459	71449
Vehicle	1384016	0	0	1384016	849971	0	165534	0	1015505	368511	534045
Total Tangible Assets (a)	62629416	60615	0	62690031	24632081	0	2199303	0	26831384	35858645	37997333
Total intangible Assets (b)	-	-	-	-	-	-	-	-	-	-	-
Total (a+b)	62629416	60615	0	62690031	24632081	0	2199303	0	26831384	35858645	37997333
Previous Period	67201495	0	4572079	62629416	29251387	(2391611)	2337574	4565269	24632081	37997333	37950108

NOTE 10 : NON CURRENT INVESTMENTS

NOTES FORMING PART OF BALANCE SHEET	No. of Shares	Current Year 31.03.2017	No. of Shares	(Rupees) Previous Year 31.03.2016
1) Trade Investments (UNQUOTED)				
Janata Sahakari Bank Ltd.Pune	0	0	3025	302500
		<u>0</u>		<u>302500</u>
Total Cost of Quoted Investment		-		-
Total Cost of Unquoted Investment		0		302500
Market Value of Quoted Investment		-		-

NOTE 11 - Long Term Loans and Advances

Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Capital Advances	-	-
b) Security Deposits	195744	570579
c) Loans & Advances to related parties	-	-
d) Other Loans & Advances	-	229786
TOTAL	<u>195744</u>	<u>800365</u>

NOTE 12 - Other non-current assets

Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Long term Trade receivables (Including trade receivables on deferred credit terms)	-	2981761
b) Others	1702170	2269558
TOTAL	<u>1702170</u>	<u>5251319</u>

NOTE 13 - Inventories

Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Raw Material	1743574	7426009
b) Stock in Process (Work in Progress)	4071919	4117662
c) Stock of Finished Goods	395726	4669622
d) Stock of Stores & Spares	2247998	1604174
e) Stock in Trade (Equity Shares)	19777431	13360122
TOTAL	<u>28236648</u>	<u>31177589</u>

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

NOTE 14 - Trade Receivables

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	-	-
Other Debts	17609541	20899379
TOTAL	17609541	20899379

NOTE 15 - Cash & Cash Equivalents

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Balances with Banks		
i) In Current Accounts	279793	268128
ii) In Unpaid Dividend Account	-	-
iii) In Fixed Deposits	1261250	3775000
b) Cheques and drafts on hand	-	-
c) Cash-on-hand	650529	213989
d) Others	-	-
TOTAL	2191572	4257117

NOTE 16 - Short term Loan & Advances

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Loans & Advances to related parties	-	-
b) Others		
Prepaid Expenses	99110	134343
Staff Advance	213045	246632
TOTAL	312155	380975

NOTE 17- Other current assets

Particulars	(Rupees)	
	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Vat Refundable	3246998	4394252
Interest Accrued on FDR	27669	433148
Trade Payable (Advances)	8561839	8614024
Others	42219	-
TOTAL	11878725	13441424

NOTE 18 - Revenue from Operations

	(Rupees)	
Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Sale of Products	391343410	309677137
b) Sale of Services	-	-
c) Other Operating Income	928067	-
TOTAL	392271477	309677137

NOTE 19 - Other Income

	(Rupees)	
Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
a) Interest Income	236750	458180
b) Dividend Income	110410	23583
c) Other non Operating Income	390586	246531
TOTAL	737746	728294

NOTE 20 - Cost of Materials Consumed

	(Rupees)	
Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Raw Materials Consumed		
Opening Stock	7426009	523370
Add : Purchases	315885851	255150897
	323311860	255674267
Less: Closing Stock	1743574	7426009
	321568286	248248258
Packing and Other Materials Consumed		
Opening Stock	1199453	1095281
Add: Purchases	21476831	16429956
	22676284	17525237
Less: Closing Stock	1994202	1199453
	20682082	16325784
TOTAL	342250368	264574042

**NOTE 21 - Changes in inventories of Finished Goods,
Work-In-Progress & Stock in Trade**

(Rupees)		
Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Opening Stock:		
Finished Goods	4669622	16403173
Work-in-process	4117662	1004394
	<u>8787284</u>	<u>17407567</u>
Less: Closing Stock:		
Finished Goods	395726	4669622
Work-in-process	4071919	4117662
	<u>4467645</u>	<u>8787284</u>
TOTAL	<u>4319639</u>	<u>8620283</u>

NOTE 22 - Employee Benefit Expenses

(Rupees)		
Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Salaries, Wages & Bonus	5864305	5509031
Contribution to Provident Fund & Other Funds	800004	522617
Employees Welfare Expenses	-	-
TOTAL	<u>6664309</u>	<u>6031648</u>

NOTE 23 - Finance Costs

(Rupees)		
Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Interest on Term Loan	0	44775
Bank Interest on Overdraft facility	2555159	4402978
Other Interest and Financial charges	839513	1919754
TOTAL	<u>3394672</u>	<u>6367507</u>

NOTE 24 - Other Expenses

Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Repairs & Maintenance		
- Plant & Machinery	1596725	1399486
- Building	-	-
- Others	368530	298591
Manufacturing Expenses	3198730	3022750
Auditor Remuneration	75000	140000
Bank charges & Commission	12179	220519
Commission paid on Sale	376328	406854
Directors Remuneration	540000	-
Director Sitting Fees	8000	9000
Insurance	48031	270254
Legal and Professional Charges	647050	286805
Power & Fuel	22621059	17568926
Postage, Telephone and Telegram Expenses	215786	170123
Printing & Stationery	88676	54121
Preliminary Expenses W/off	567388	567390
Rent Paid	300000	300000
Loss on Sale of Shares	305293	427374
Travelling & Conveyance	167816	169443
Vehicle Expenses	189434	149858
Miscellaneous Expenses	1112897	1468206
TOTAL	32438922	26929700

NOTE : 25**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 based on useful life of Assets as per part 'C' of Schedule II of companies Act,2013.
- III) In case of Plant and Machinery, Company has provided Depreciation on Straight Line method based on useful life of Assets as per part 'C' of Schedule II of the Companies Act,2013.
- 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 |
| 4) Stock -in-Trade (Shares) | Valued at cost |

e) Impairment of Assets:

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

f) Provision for Retirement Benefits:

Provision for gratuity is made in accounts assuming that all the employee retire at the end of the year.

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 Textiles (manufacturers of Polyester Texturised 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
2) Teekay Intenational |
| (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 |

ii) Transactions with Related Parties (Rupees)

Type of	Description of the nature of the transaction	Volume of Trans.	2016-17		Volume of Trans	2015-16	
			Outstanding			Outstanding	
			2016-17	Receivable		Payable	2015-16
Where Control Exists	1) Loans	1469969	---	---	49428927	---	1469969
	2) Rent Paid	300000	---	---	300000	---	---
Key Managerial Personnel	1) Director's Remuneration and Sitting Fees	548000	---	---	9000	---	---
	2) Loans	12359132	---	2250000	23050000	---	9250000

04. Earnings per share

	Year Ended March 2017	Year Ended March 2016
Profit / (Loss) attributable to the equity shareholders (Rupees)	1392010	760865
Number of Equity Shares Outstanding during the year	56222400	56222400
Nominal value of Equity Shares	Rs 1	Rs. 1
Basic/diluted earnings per share (Face Value Re 1) (with exceptional Income)	Rs. 0.02	Rs 0.01
Basic/diluted earnings per share (Face Value Re 1) (Without exceptional Income)	Rs 0.02	Rs.(0.08)

05. Disclosure regarding pursuant to circular no G.S.R.308 (E) dated March 30, 2017.

Details of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in the table below:-

	SBN's	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	1,75,000	96,479	2,71,479
(+) Permitted Receipts	Nil	12,50,000	12,50,000
(-) Permitted Payments	Nil	8,73,905	8,73,905
(-) Amount deposited in banks	1,75,000	Nil	1,75,000
Closing cash in hand as on 30.12.2016	Nil	4,72,574	4,72,574

06. 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.

- 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.

28TH ANNUAL REPORT

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. 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 5 of part II of Schedule III of Company's Act, 2013 (As certified by the management) to the extent applicable are as under.

	2016-2017 (Rupees)	2015-2016 (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	321568286/-	248248258/-
b) Imported	NIL	NIL
vi) Break up of Repairs and Maintenance	31/03/2017	31/03/2016
For Plant and Machineries	1596725	1399486
For Others	368530	298591
	-----	-----
	1965255	1698077
	=====	=====
vii) Auditors Remuneration	31/03/2017	31/03/2016
Audit Fees	75000	75000
Tax Audit Fees	0	15000
VAT Audit Fees	0	10000
Taxation Matters	0	15000
Certification Work	15000	25000
	-----	-----
	90000	140000
	=====	=====

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 25

As per our report of even date

for **K. S. MAHESHWARI**
CHARTERED ACCOUNTANTS
(Firm Regn No. 105846W)

--Sd--

K. S. MAHESHWARI
(Partner)
M. No. 39715

Place : Mumbai
Date : 29th May, 2017

For and on behalf of the
Board of Directors

--Sd--

S.S.GUPTA
Company Secretary

--Sd--

P.K.PAREEK
Chief Financial Officer

--Sd--

J.K.VAKHARIA
Managing Director
(DIN 00047777)

--Sd--

V.J.VAKHARIA
Director
(DIN 00052361)

EVERLON SYNTHETICS LTD.

REGISTERED OFFICE ; 67, REGENT CHAMBERS,
208, NARIMAN POINT, MUMBAI – 400 021.
Phone : 2204 9233, 2204 2788 E-mail: everlon@rediffmail.com
CIN L17297MH1989PLC052747

ATTENDANCE SLIP

28TH ANNUAL GENERAL MEETING

DP ID – Client ID/Folio No.	
Name & Address of sole Member	
Name of Joint Holder(s), if any (In Block Letters)	
No of shares held	

I certify that I am a member / proxy of the Company,

I hereby record my presence at 28th Annual General Meeting of the Company to be held on Friday, 8th September 2017 at 10.30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, Churchgate, Mumbai – 400 020.

Member's/Proxy's Signature

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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	L17297MH1989PLCO52747		
Name of the company	EVERLON SYNTHETICS LIMITED		
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		
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	

as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 28th Annual General Meeting to be held on Friday, 8th September, 2017 at 10.30 A.M. at Kilachand Conference Room, 2nd Floor, IMC, Indian Merchants Chambers, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.: RESOLUTIONS

	For	Against
Ordinary Business		
1. Adoption of Audited Financial Statements for the year ended 31 st March 2017		
2. Re-appointment of Mrs. Varsha Jitendra Vakharia (DIN: 00052361) as a Director, who retires by rotation.		
3. Appointment of M/s. K S Maheshwari & Co., Chartered Accountants as Statutory Auditors for Financial Year 2017-18 & fix their remuneration.		
Special Business		
4. Special Resolution granting authorization for investments u/s. 186 of Companies Act, 2013		
5. Special Resolution for Reclassification of Promoter shareholding under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015		
6. Special Resolution for Consolidation of Share capital under section 61 of Companies Act, 2013		
7. Special Resolution for Alteration of Memorandum of Association of the Company		
8. Special Resolution for Alteration of Article of Association of the Company		

Signed this..... day of..... 2017

Signature of Shareholder:

Signature of Proxy holder(s):



Note: 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.

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