

EVERLON  
SYNTHETICS  
LIMITED

23 RD  
ANNUAL REPORT  
(2011 - 2012)

ACCOUNTING YEAR ENDED  
31st MARCH 2012

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### EVERLON SYNTHETICS LIMITED

#### BOARD OF DIRECTORS

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

#### AUDITORS

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

#### BANKERS

JANATA SAHAKHARI BANK LTD., PUNE  
INDIAN OVERSEAS BANK  
IDBI BANK

#### REGISTERED OFFICE

67, Regent Chambers,  
208, Nariman Point, Mumbai – 400 021.  
E-Mail : everlon@rediffmail.com  
[www.everlon.in](http://www.everlon.in)

#### FACTORY

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

#### LISTED AT

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

#### REGISTRAR & SHARE TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.  
Unit-1, Luthra Ind. Premises, Safed Pool ,  
Andheri Kurla Road, Andheri (E), Mumbai – 400 072.  
Tel: 2851 5606/ 2851 5644 • Fax: 2851 2885  
E-mail : sharexindia@vsnl.com

**NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held on Saturday 25th August 2012 at 11.30 a.m. at the Registered Office of the Company at 67, Regent Chambers, 6th Floor, 208 Nariman Point, Mumbai - 400 021 to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider & adopt Audited Accounts for the year ended 31st March 2012, together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri. Kamlesh C. Sanghavi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Place : Mumbai  
Dated: 30th May 2012

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

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

**NOTES**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share transfer books of the Company will remain closed from Friday 17th August 2012 to Saturday 25th August 2012 (both days inclusive) for the purpose of Annual General Meeting.
- c) The Members are requested to:
  - i) Intimate immediately any change in their address to Company's Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai - 400 072. Members holding shares in the electronic form are advised to inform change in address directly to their respective depository participants.
  - ii) Quote their Folio No./Client ID No. in their correspondence with the Company/ Registrar and Share Transfer Agents.
  - iii) Send their queries atleast 10 days in advance so that the required information can be made available at the meeting.
  - iv) Bring their copies of Annual Report and Attendance slip with them at the meeting.
  - v) Intimate Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. for consolidation of their folios, in case they are having more than one folio.
- d) Green Initiative for Paperless Communications:  
The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. In accordance with recent circular bearing no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs (MCA), Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

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.

Equity Shareholders holding shares in physical form can avail the said facility to enable the Company to send the notice/documents through electronic mode. They should download the form from the Company's website ([www.everlon.in](http://www.everlon.in)) and forward the same to Company's Registrar and transfer agents i.e. Sharex Dynamic (India) Pvt. Ltd., Unit: Everlon Synthetics Ltd., Unit-1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (E) Mumbai - 400 072. Tel: 2851 5506 / 2851 5644, Fax No: 2851 2855. The Shareholders holding shares in demat mode can register their e-mail address with their Depository Participant, in the event they have not done so earlier for receiving notices/documents through Electronic mode.

Place : Mumbai  
Dated: 30th May 2012

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

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

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

A. Name of Director	Shri Kamlesh C. Sanghavi
B. Date of Birth	17/12/1959
C. Date of Appointment	31/07/2006
D. Expertise in specific functional areas	28 years in profession
E. Qualifications	Chartered Accountants
F. Name of Companies in which Directorship held as on 31st March'12	Kans Trading Pvt.Ltd., (Formerly known as Brilliant Water Pvt.Ltd.,)
G. Chairman/Member of the Committees of the Board of the other companies on which he is a Director as on 31st March 2012.	---- NIL ----
H. No. of equity shares of Rs.10/- each of the company held as on 31st March 2012	-----
I. Inter-se Relations Among Directors	-----

**CORPORATE GOVERNANCE REPORT**

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

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

The company is committed to good Corporate Governance.

**2. Board of Directors**

During the Financial year 2011-2012, 6 Board Meetings were held on 30th May 2011, 13th August 2011, 18th October 2011, 8th November 2011, 3rd January 2012 and 4th February 2012. Details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other committee Membership are given below:

Sr. No	Name of the Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last A.G.M.	No of other Directorship (As on 31st March, '12) in other companies	No of other Committees Membership	No of other Committees Chairmanship
1.	Shri Jitendra K. Vakharia Managing Director	ED (P)	6	Yes	7	-----	-----
2.	Smt. Varsha J. Vakharia	NED (P)	6	Yes	7	-----	-----
3.	Shri Dinesh P. Turakhia	NED (I)	6	Yes	NIL	-----	-----
4.	Shri Kamlesh C. Sanghavi	NED (I)	6	Yes	1	-----	-----

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

**3. Audit Committee**

During the Financial Year 2011-2012, 4 meetings of the committee were held as under:- 30th May 2011, 13th August 2011, 8th November 2011 and 4th February 2012.

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

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

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

**4. Remuneration of Directors**

The remuneration committee of the Board comprises 3 Directors namely, Shri Dinesh P. Turakhia - Chairman, Shri Kamlesh C. Sanghavi - Member and Smt. Varsha J. Vakharia - Member. One meeting of Remuneration Committee was held on 30th May 2011 which was attended by all 3 members. The terms of reference of the Committee are as specified in Schedule XIII of the Companies Act 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The Managing Directors remuneration details for the financial year 2011-2012 are given below:-

Name	Salary	Commission	Perquisites	Total	Tenure of years
Shri Jitendra K. Vakharia	Rs. 360000/- p.a.	_____	_____	Rs. 360000/- p.a.	5 years from 1/10/2011

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

The sitting fees paid for the financial year ended 31st March 2012 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

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

The number of equity shares of the company held by non-executive Directors as on 31st March 2012 are as follows:-

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

**5. Shareholders/Investors Grievances Committee**

During the year Share Transfer Committee held 15 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 14th March, 2012. The Composition of the Committee is as under:-

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

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

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

The total number of complaints received from the Shareholders were nil. All letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were no requests pending for dematerialisation as on 31st March 2012.

**6. General Body Meetings**

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

Financial Year	Venue	Date & Time
2010-2011	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	13th August 2011 at 11.30 A.M.
2009-2010	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	14th August 2010 at 11.30 A.M.
2008-2009	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	28th August 2009 at 11.30 A.M.

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

AGM Date	Matter
(i) 13th August 2011	Reappointment of Shri Jitendra K.Vakharia as Managing Director for 5 years.
(ii) 14th August 2010	Nil
(iii) 28th August 2009	Reappointment of Shri Jitendra K.Vakharia as Managing Director for 2 years

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

**7. Disclosures**

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

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

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

**8. Means of Communication**

The quarterly results of the Company are published in the following newspapers: Free Press Journal (English) and Nav Shakti (Marathi). The results will also be displayed on Company's website at [www.everlon.in](http://www.everlon.in).

**9. General Shareholder Information**

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

**10. Information on Directors**

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

**11. Declaration by the Managing Director**

Declaration by the Managing Director under clause 49(1) (D)(ii) of the Listing Agreement is given below:- "Pursuant to Clause 49 (1) (D) (ii) of the listing agreement with the Stock Exchanges, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the year ended 31st March 2012."

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of corporate governance by Everlon Synthetics Limited, for the year ended 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

For **POLADIA & CO.,**  
**CHARTERED ACCOUNTANTS**  
**(Firm Regn No. 128274W)**  
— Sd —

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

Place: Mumbai  
Dated: 30th May 2012

**INFORMATION FOR SHAREHOLDERS**

- Annual General Meeting:-**  
Day, Date & Time : Saturday 25th August 2012 at 11.30 A.M.  
Venue: 67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.
- Financial Year :** April 2011 to 31st March 2012
- Book Closure Dates on account of Annual General Meeting:**  
Friday 17th August 2012 to Saturday 25th August 2012 (Both days inclusive)
- Listing of Shares on Stock Exchange**  
The equity shares of the company are listed on Mumbai and Ahmedabad Stock Exchange. The Company's application for voluntary delisting of its Equity Shares from Ahmedabad Stock Exchange is still pending with Ahmedabad Stock Exchange. The Annual Listing Fees for the year has been paid to the Mumbai Stock Exchange.
- STOCK CODES**

Name of the Stock Exchange	Stock Code
The Stock Exchange, Mumbai	514358
The Ahmedabad Stock Exchange	16730
- Market Price Data**  
Share prices at Bombay Stock Exchange Ltd., during the year 2011-12 for one equity share of Rs.10/- each are as under:-

Month	SHARE PRICE (RS.)	
	High	Low
April, 2011	16.69	12.43
May, 2011	15.00	11.26
June, 2011	14.89	10.50
July, 2011	15.00	10.21
August, 2011	12.35	9.45
September, 2011	10.18	9.01
October, 2011	10.44	9.45
November, 2011	12.54	10.21
December, 2011	11.78	10.75
January, 2012	12.60	10.30
February, 2012	12.00	10.17
March, 2012	11.50	9.52

- REGISTRAR AND SHARE TRANSFER AGENTS**  
Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Ind. Premises, Safed Pool ,  
Andheri Kurla Road, Andheri (E),  
Mumbai – 400 072.  
Tel: 2851 5606/ 2851 5644  
Fax: 2851 2885 E-mail : sharexindia@vsnl.com
- Share Transfer System**  
The Company has appointed M/s. Sharex Dynamic (India) Pvt.Ltd., as its Registrar and Share Transfer Agent. Presently the share transfers which are received in physical form are processed and the share certificates duly transferred are returned generally within 30 days from the date of the receipt, subject to the documents being valid and complete in all respects.
- Insider Trading Regulations :**  
The Company has framed a Code of Internal procedures and conduct for prevention of Insider Trading on the lines of model code specified by SEBI.



## 10. Distribution of Shareholding as on 31st March 2012

Size of Holdings	No of Holders	% of Holders	No. of Shares	% of Shares	
Upto 101	100	554	19.37	47585	0.94
201 to 501	200	1400	48.95	278994	5.53
1001 to 5001	500	550	19.23	216939	4.30
10001 to 100001	1000	204	7.13	161728	3.21
	5000	112	4.92	267221	5.30
	10000	11	0.38	75664	1.50
	100000	16	0.56	535127	10.61
	Above	13	0.45	3462342	68.62
<b>Total</b>	<b>2860</b>	<b>100.00</b>	<b>5045600</b>	<b>100.00%</b>	

## SHAREHOLDING PATTERN AS ON 31ST MARCH 2012

Category	No. of Shares held	% of Shareholding
Indian Promoters	2869752	56.876
Private Corporate Bodies	65426	1.297
Indian Public	1643240	32.568
NRI's / OCB's	467182	9.259
<b>Total</b>	<b>5045600</b>	<b>100%</b>

## 11. Dematerialisation of Shares &amp; liquidity

As at 31st March, 2012, 89.03% of total equity shares of the company were held in dematerialized form with National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are required to be compulsorily traded in the dematerialisation form. The shares are available for dematerialisation under ISIN INE 339D01018. The request for dematerialisation of shares are processed and generally confirmed within 15 days of receipt

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

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

## 13. Plant Locations :

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

## 14. Address for correspondence

## Registered Office :

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

EVERLON SYNTHETICS LIMITED  
DIRECTOR'S REPORT

To,

The Members,

The Board of Directors present the 23rd Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2012 along with the cash flow statements:

## 1. OPERATIONS AND FINANCIAL RESULTS

	Year Ended 31/03/2012 (Rs. In Lacs)	Year Ended 31/03/2011 (Rs. in Lacs)
Sales	4260.31	2620.13
Other Income	7.35	8.59
Exceptional Items	67.33	0.00
Profit for the year before Depreciation & Tax	133.94	120.33
Less : Depreciation	31.47	54.62
Profit before Tax	102.47	65.71
Less : Provision for Tax	20.00	13.00
Profit after tax	82.47	52.71
Add: Extraordinary items	0.67	4.45
Profit for the year	81.80	57.16
Profit/ (Loss) Brought forward from previous year	(347.57)	(404.74)
Profit/ (Loss) carried to Balance Sheet	(265.77)	(347.57)

## 2. PERFORMANCE

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

The company has produced 3904.04 tons against 2649.73 tons during the previous year resulting in sales turnover of Rs.4260.31 lacs as against Rs. 2620.13 lacs during the previous year.

## 3. DIVIDEND

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

## 4. DIRECTORS

Shri Kamlesh C. Sanghavi retire by rotation and being eligible offers himself for reappointment.

## 5. AUDITORS

M/s. Poladia & Co. Chartered Accountant have given their consent for re-appointment for F. Y. 2012-2013. Members are requested to re-appoint them.

## 6. PARTICULARS OF EMPLOYEES

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

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

It is hereby confirmed that in respect of Financial Year ended on 31/03/2012.

- In the preparation of annual accounts, the applicable accounting standards have been followed.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31/03/2012 and of the profit of the company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a going concern basis.

**8. DEMERGER**

Board of Directors have approved a Scheme of Arrangement/Demerger of Investment business of the company viz Everlon Synthetics Ltd (ESL) into Vakharia Power Infrastructure Ltd., (VPIL)

- a) The Company has received a No Objection Letter dated 13th February 2012 from Bombay Stock Exchange Ltd., .
- b) In term of Directions given by Hon'ble Bombay High Court, a meeting of Equity Shareholders and Unsecured Creditors of the company is proposed to held on 16th June 2012, for approval of Scheme of Arrangement/Demerger of the Investment business of the company viz Everlon Synthetics Ltd (ESL) into Vakharia Power Infrastructure Ltd.,(VPIL) and also for approval of reduction of Equity Share Capital/ Capital Reserve of the Company (ESL).
- c) The Authorised Share Capital of ESL consisting of 60,00,000 Equity Shares of Rs. 10/- each shall be reorganized to 6,00,00,000 Equity share of Re.1/- each. The paid up capital of ESL shall be reduced from Rs.5,04,56,000/- consisting of 50,45,600 Equity share of Rs.10/- each to Rs.3,02,73,600/- consisting of 3,02,73,600 Equity share Re.1/- fully paid, by reduction of Rs.4/- per share in the paid up value of Rs.10/- per share.
- d) Upon coming into effect of the Scheme, the members of ESL whose names appear in the Register of Member on Record date would be entitled to Equity Shares in VPIL as under: "One Equity share of VPIL of the face value of Re.1/- for every one Equity share held in ESL of the face value of Re.1/-."

**9. AUDITORS REPORT**

Auditors remarks on change in method of depreciation are self explanatory and do not call for any further comments.

**10. CORPORATE GOVERNANCE**

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

**11. SUBSIDIARY COMPANY**

A Statement u/s. 212 of the Companies Act 1956 in respect of subsidiary company is attached herewith. In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, and other documents of the subsidiary company is being attached with the Balance Sheet of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company. M/s. Everlon Power Ltd., has ceased to be a subsidiary of the company w.e.f. 20th March 2012. M/s. Vakharia Power Infrastructure Ltd., has been incorporated on 9th September 2011 as a Wholly Owned Subsidiary of the Company for business of power plants, infrastructure etc.

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

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

**13. DEPOSITS**

The Company has not accepted any Deposits from the Public.

**14. ACKNOWLEDGEMENT**

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

For and on Behalf of the Board of Directors  
 \_\_\_\_\_ sd \_\_\_\_\_  
**J. K. VAKHARIA**                      **V. J. VAKHARIA**  
**MANAGING DIRECTOR**                      **DIRECTOR**

Place : Mumbai  
 Dated : 30th May 2012

**ANNEXURE 1 TO DIRECTOR'S REPORT 2011-2012**

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

**I. CONSERVATION OF ENERGY :**

- a. Conservation Measures taken:  
 The Company is regularly making efforts for enhancement in capacity utilization, cost competitiveness and quality improvement of products. Utilities are being combined for effective energy conservation.
- b. Additional investment and proposals, if any, being implemented for reduction in consumption of energy:  
 Studies to reduce energy consumption of existing units are going on.
- c. Impact of the measures (a) & (b) above for reduction of Energy Consumption and consequential impact on the cost of Production of goods:

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

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

a <b>POWER AND FUEL CONSUMPTION:</b>	<b>2011-2012</b>	<b>2010-2011</b>
1. Electricity		
(a) Purchases Units (Lacs)	47.65	32.17
Total Amounts (Rs. in lacs)	193.08	105.06
Rate per Unit (Rs.)	4.05	3.21
(b) Own Generation:		
Through Diesel Generator		
Units (in lacs)	---	---
Units per Ltr. of Diesel Oil	---	---
Cost per Units (Rs.)	---	---
2. Coal	---	---
3. Furnace Oil	---	---
4. Other / Internal Generation Steam	---	---
 b. <b>CONSUMPTION PER UNIT OF PRODUCTION :</b>		
(Product : Polyester Texturised Yarn)		
(Product : Polyester Twisted Yarn)		
1. Electricity (Unit per M.T.)	1225	1235
2. Coal (Kg)	---	---
3. Furnance Oil Liter	---	---
4. Steam (Tons)	---	---



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

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

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

a. Activities relating to exports initiative taken to increase export markets for products and services and export plan.	)	NOT APPLICABLE
	)	
	)	
b. Total Foreign exchange used and earned :		
1. Expenditure in Foreign Currency	Nil	Nil
2. Value of Import on CIF basis (Rs.in Lacs)	—	11.62
3. F.O.B. Value of exports (Rs.in Lacs)	0.78	—

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A. **Industry Outlook**

The Company expects growth in demand for Polyester Texturised Yarn. The Company does not foresee any major threats to its growth

B. **Opportunities**

During the current year the domestic production of POY (Raw Material) is expected to increase by 15% which may result in price advantage for the procurement of raw material by the company.

C. **Segment**

The Company has only one Reporting Segment namely, Textiles.

D. **Risk And Concerns**

High power tariff and interest rates are a matter of concern for the company.

E. **Internal Control Systems**

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

F. **Performance**

Financial performance, with respect to operational performance is elaborated in Directors report.

G. **Industrial Relations**

Harmonious industrial relations continue to prevail during the year. Total number of employees as on 31st March, 2012 were 21.

**Cautionary Statement**

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

**AUDITORS' REPORT**

To,  
The Members of  
**EVERLON SYNTHETICS LIMITED**

1) We have audited the attached Balance Sheet of EVERLON SYNTHETICS LIMITED as at 31st March, 2012 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. **We believe that our audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our Qualified Audit opinion.**

**Basis For Qualified Audit opinion**

**Hereto Company was following written down value method as per Income-tax Act, 1961 for depreciation in respect of Plant & Machinery. During the year company has changed the method of Accounting by replacing of Written Down Value method to Straight Line Method of Accounting as per schedule XIV of Companies Act, 1956 which resulted in Lower provision of depreciation by Rs.67,33,036/- compared to last year. Had Company followed same depreciation as per last year, the profit would have been lower by that amount and negative balance in Reserves and Surplus would have been higher by that amount.**

3) As required by Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order:-

- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
- We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the above books of account.
  - In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
  - In our opinion and as per information and according to the explanations given to us, no Director is disqualified from being appointed as director under clause (g) of subsection (1) of section 274.
  - In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts, read together with the notes thereon, subject to "**Qualified Audit Opinion as stated above in respect of "change in method of depreciation"**" give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - In the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March 2012.
    - In the case of the Profit and Loss Account, of the Profit of the year ended on that date, and
    - In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**(Firm Regn No. 128274W)**

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

Place: Mumbai.  
Dated: 30/05/2012

**EVERLON SYNTHETICS LIMITED**  
ACCOUNTING YEAR ENDED 31ST MARCH, 2012  
**ANNEXURE TO THE AUDITOR'S REPORT**  
**REFERRED TO PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of the assets. According to information furnished to us no material discrepancies have been noticed on such verification.
- c) The Fixed Assets disposed off during the year, in our opinion do not constitute a substantial part of the Company and such disposal in our opinion, not affected the going concern status of the Company.
- ii) a) The inventory have been physically verified by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and books were not material and have been properly dealt with in the books of account.
- iii) a) The Company has taken loan from one company covered in register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.434.40 lacs. The company has not given any loans during the year to parties covered in the register maintained u/s.301 of Companies Act, 1956.
- b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima-facie, prejudicial to the interest of the company.
- c) There has been no conditions stipulated as regards to repayment of principal and interest.
- iv) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to Purchase of Inventory, Fixed Assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
- v) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (v) (b) of the Order is not applicable.
- vi) The Company has not accepted any deposits from public.
- vii) The Company does not have any internal audit system.
- viii) We have broadly reviewed, without carrying out a detailed examination, the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made detailed examination of the records with a view to determining whether they are accurate or complete.
- ix) a) According to the records and as per information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed amount of provident fund, employee state insurance, income tax, sales tax, custom duty, cess and other statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March 2012, for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, except mentioned in Item 6 of Note No.28.
- x) In our opinion, the accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses during the current financial year and not incurred cash losses during the immediately preceding financial year.
- xi) The Company has not taken loans from financial institution or has not issued debentures to any party, hence the question of default in repayment does not arise.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not chit/nidhi/mutual benefit fund/society and clause 4 (xiii) of the Order is not applicable.
- xiv) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- xv) On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has applied funds from term loans raised during the year only for the purpose for which those term loans were raised. There is no term loans outstanding at the beginning of the year.
- xvii) According to the information and explanations given to us and on overall examination of the balance sheet and other records of the Company, we are of the opinion that funds, raised on short-term basis have not, prima facie, been used for long term investment and vice versa.
- xviii) During the year, the Company has not made preferential allotment of shares to a party covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company did not have any outstanding debentures during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has not been noticed or reported during the course of our audit.

For **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn No. 128274W)

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

Place : Mumbai  
Dated: 30/05/2012

**EVERLON SYNTHETICS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2012** (Rupees)

	Note No.	Current Year As at 31st March, 2012	Previous Year As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	1	50487000	50487000
b) Reserves & Surplus	2	(7700521)	(15879827)
c) Money received against share warrants		-	-
		<u>42786479</u>	<u>34607173.00</u>
<b>2. Share application money pending allotment</b>			
		-	-
<b>3. Non-Current Liabilities</b>			
a) Long-term Borrowings	3	45309456	25410000
b) Deferred tax liabilities		-	-
c) Other Long-term liabilities	4	-	-
d) Long-term Provisions	5	2150258	883266
		<u>47459714</u>	<u>26293266</u>
<b>4. Current Liabilities</b>			
a) Short-term Borrowings	6	29373456	14497309
b) Trade Payables	7	9029641	21663911
c) Other Current liabilities	8	4552282	4862804
d) Short-term provisions	9	2000000	1300000
		<u>44955379</u>	<u>42324024</u>
<b>TOTAL (1+2+3+4)</b>		<b><u>135201572</u></b>	<b><u>103224463</u></b>
<b>II. ASSETS</b>			
<b>1 Non-Current assets</b>			
a) Fixed Assets			
(i) Tangible assets	10	44661883	40940008
(ii) Intangible assets	11	-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
b) Non-Current investments	12	725490	621505
c) Deferred tax assets		-	-
d) Long-term loans and advances	13	8271383	3562640
e) Other non-current assets	14	3122278	1655038
		<u>56781034</u>	<u>46779191</u>
<b>2. Current Assets</b>			
a) Current Investments	15	-	-
b) Inventories	16	48856356	27557938
c) Trade Receivables	17	25946941	25448630
d) Cash and cash equivalents	18	3193883	3023954
e) Short-term Loans and Advances	19	377233	330598
f) Other current assets	20	46125	84152
		<u>78420538</u>	<u>56445272</u>
<b>TOTAL (1+2)</b>		<b><u>135201572</u></b>	<b><u>103224463</u></b>
Notes forming part of the Accounts	1 to 27		
Additional Notes forming part of accounts	28		

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

— sd —  
P.T.POLADIA  
(PROPRIETOR)  
M.No.38757

Place : Mumbai  
Date : 30/05/2012

For and on behalf of the  
Board of Directors

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

**EVERLON SYNTHETICS LIMITED**  
**PROFIT AND LOSS STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012** (Rupees)

	Note No.	Current Year As at 31st March, 2012	Previous Year As at 31st March, 2011
I. Revenue from Operations	21	426031453	262013343
II. Other Income	22	735103	859556
<b>III. Total Revenue (I+II)</b>		<b><u>426766556</u></b>	<b><u>262872899</u></b>
<b>IV. Expenses</b>			
Cost of Material Consumed	23	383995099	240028889
Purchase of stock-in-Trade		-	-
Changes in inventories of finished goods- Work-in-progress and stock-in-trade	24	160947	(12909902)
Employee benefits expenses	25	2553801	1933228
Finance Costs	26	5895789	4201449
Depreciation & amortisation expenses	10	3147259	5462429
Other Expenses	27	27500083	17586082
<b>Total Expenses</b>		<b><u>423252978</u></b>	<b><u>256302175</u></b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		3513578	6570724
VI. Exceptional Items (Depreciation Written Back)		6733036	-
VII. Profit before extraordinary items and tax (V-VI)		10246614	6570724
VIII. Extraordinary Items		0	(445537)
IX. Profit before tax (VII-VIII)		10246614	7016261
X. Tax Expense :			
(1) Current Tax		(2000000)	(1300000)
(2) Deferred Tax		-	-
XI. Profit/(Loss) for the period from continuing operations (IX-X)		8246614	5716261
XII. Profit/(Loss) for the period from discontinuing operations		-	-
XIII. Tax Expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (After Tax (XII-XIII))		-	-
XV. Profit/(Loss) for the period (XI+XIV)		8246614	5716261
Add: Balance brought forward from Last Year (Short)/Excess provision for Income Tax for earlier years (provided)/written back		(34757276)	(40473537)
		<u>(67308)</u>	<u>-</u>
Profit available for Appropriation		<u>(26577970)</u>	<u>(34757276)</u>
Earning per share Basic & Diluted		1.63	1.13
Notes forming part of the Accounts	1 to 27		
Additional Notes forming part of accounts	28		

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

— sd —  
P.T.POLADIA  
(PROPRIETOR)  
M.No.38757

Place : Mumbai  
Date : 30/05/2012

For and on behalf of the  
Board of Directors

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

**ACCOUNTING YEAR ENDED 31ST MARCH 2012**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

<b>NOTE - 1 SHARE CAPITAL</b>	(Rupees)	
	Current Year Ended 31st March, 2012	Previous Year Ended 31st March, 2011
Authorised 60,00,000 Equity Shares of Rs.10/- each	60000000	60000000
(Previous year 60,00,000 equity shares of Rs.10/- each )	60000000	60000000
<b>ISSUED</b>		
50,50,800 Equity Shares of Rs.10/- each (Previous year 50,50,800 Equity Shares of Rs.10/- each	50508000	50508000
	<b>50508000</b>	<b>50508000</b>
<b>SUBSCRIBED AND PAID UP</b>		
50,45,600 Equity Shares of Rs.10/- each fully paid up (Previous year 50,45,600 equity shares of Rs.10/- each fully paid up	50456000	50456000
Add:Paid up value of Shares Forfeited (5200 Equity Shares of Rs.10/- each)	31000	31000
<b>TOTAL</b>	<b>50487000</b>	<b>50487000</b>

- a) There are no (Previous year - No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.
- b) There are nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or subsidiary or associates of the holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.
- c) Shares in the company held by each shareholders holding more than 5% shares

Name of the Shareholder	No of Shares held	Percentage (%)
Jitendra K.Vakharia -HUF	752198	14.91
Jitendra K.Vakharia	506000	10.03
Prachi J.Vakharia	391801	7.77
Varsha J.Vakharia	273320	5.42

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

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

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

**NOTE 2 - Reserve & Surplus**

Particulars	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Capital Reserve	18877449	18877449
b) Capital Redemption Reserve	-	-
c) Securities Premium Reserve	-	-
d) Debenture Redemption Reserve	-	-
e) Revaluation Reserve	-	-
f) Share Option Outstanding Account	-	-
g) Other Reserves	-	-
General Reserve	-	-
As per Last Balance Sheet	-	-
Add: Transfer from Profit and Loss Account	-	-
	<b>18877449</b>	<b>18877449</b>
Less: Transfer from Profit and Loss Account	-	-
Balance	<b>18877449</b>	<b>18877449</b>
h) Surplus		
As per Last Balance Sheet	(34757276)	(40473537)
Add:- Surplus for the current year	8246614	5270724
Less:- Short Provision of the previous year provided	(67308)	445537
	<b>(26577970)</b>	<b>(34757276)</b>
Less: Transferred to General Reserve		
Proposed Dividend	-	-
Tax on Dividend	-	-
	<b>(26577970)</b>	<b>(34757276)</b>
Balance	-	-
Gross Total (a+h)	<b>(7700521)</b>	<b>(15879827)</b>

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



**NOTE 3 - Long Term Borrowings**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Bonds / Debentures	-	-
b) Term loans from Bank ( Secured) Term Loans from Janata Sahakari Bank Ltd,Pune Secured by hypothecation of Machinery	3109456	-
c) Deferred payments Liabilities	-	-
d) Deposits	-	-
e) Loans and Advances from related parties		
i) Loan recd from Pvt.Ltd Co. (Unsecured)	41750000	25410000
ii) Loan recd from Subsidiary Co. (Unsecured)	450000	-
f) Long term maturities of finance lease obligations	-	-
g) Other loans & Advances	-	-
<b>TOTAL</b>	<b>45309456</b>	<b>25410000</b>

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

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Trade payables	-	-
b) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 5 - Long-Term Provisions**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Provisions for employees benefits ( Gratuity )	850258	568266
b) Others (Income Tax A.Y.2012-13)	1300000	315000
<b>TOTAL</b>	<b>2150258</b>	<b>883266</b>

**NOTE 6 - Short Term Borrowings**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Secured Repayable on demand from Banks Overdraft from Janata Sahakari Bank Ltd,Pune (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 )	29373456	14497309
<b>TOTAL</b>	<b>29373456</b>	<b>14497309</b>

**NOTE 7 - Trade Payables**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Due to Micro,Small & Medium Enterprises	-	-
b) Others	9029641	21663911
<b>TOTAL</b>	<b>9029641</b>	<b>21663811</b>

**NOTE 8 - Other Current Liabilities**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Current Maturities of longterm debts (Term Loan)	2332092	-
b) Current Maturities of finance lease obligations	-	-
c) Interest accrued but not due on borrowings	-	-
d) Interest accrued and due on borrowings	1365320	-
e) Income received in advance	-	-
f) Unpaid Dividends	-	-
g) Application Money received from allotment of securities and due for refund and interest accrued thereon.	-	-
h) Unpaid matured deposits and interest accrued thereon	-	-
l) Unpaid matured debentures and interest accrued thereon	-	-
j) Other payables Creditors for Expenses / Assets Other Liabilities	-	-
Statutory Liability	54611	62804
Advance received from Customers & others	800259	4800000
<b>TOTAL</b>	<b>4552282</b>	<b>4862804</b>

**NOTE 9- Short-term Provisions**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Provision for employees benefit	-	-
b) Others Provision for Tax Proposed Dividend Tax on Dividend	2000000	1300000
<b>TOTAL</b>	<b>2000000</b>	<b>1300000</b>

**NOTE - 10  
FIXED ASSETS:**

Description	← GROSS BLOCK →			← DEPRECIATION →				← NET BLOCK →	
	As at 01.04.2011	Addition	Deduc.	As at 31.03.12	For the year	Dedu/ written Back	As at 31.03.12	As at 31.03.11	As at 31.03.11
Tangible Assets									
Land at Dadra	2078580	0	0	2078580	0	0	2078580	2078580	2078580
Factory Building	15139538	27980	0	15167518	647006	0	5823054	6442080	6442080
Plant & Machinery	47886817	112486	6617307	41381996	2184970	13350343	34475973	29815421	29815421
Electric Fittings	4226305	0	0	4226305	173464	0	1561182	1734646	1734646
Computers	557725	0	0	557725	31995	0	21328	53323	53323
Office equipments	62326	0	0	62326	3564	0	20201	23765	23765
Furniture & Fixtures	449597	0	4368	445229	25139	0	221882	251389	251389
Vehicle	697723	0	0	697723	80666	0	457104	537770	537770
Testing Equipments	170710	0	0	170710	455	0	2579	3034	3034
Total Tangible Assets (a)	71269321	140466	6621675	64788112	3147259	13350343	44661883	40940008	40940008
Intangible Assets									
Brand Development	-	-	-	-	-	-	-	-	-
Total intangible Assets (b)	-	-	-	-	-	-	-	-	-
<b>Total (a+b)</b>	<b>71269321</b>	<b>140466</b>	<b>6621675</b>	<b>64788112</b>	<b>3147259</b>	<b>13350343</b>	<b>44661883</b>	<b>40940008</b>	<b>40940008</b>
Previous Period	56940821	19338257	5009757	712669321	5462429	4604792	40940008	27469145	27469145

**ACCOUNTING YEAR ENDED 31ST MARCH 2012.**

**OTE 11- INTANGIBLE ASSETS**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Goodwill	-	-
b) Brands / Trademarks	-	-
c) Computer Software	-	-
d) Mastheads and publishing titles	-	-
e) Mining rights	-	-
f) copyrights & patents and other intellectual propertyrights, Services and operating rights.	-	-
g) Receipts, formulae, models, designs and prototypes	-	-
h) Licences and franchise	-	-
g) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

NOTES FORMING PART OF BALANCE SHEET	No.of Shares	Current Year 31.03.2012	No.of Shares	Previous Year 31.03.2011
-------------------------------------	-----------------	----------------------------	-----------------	-----------------------------

**NOTE 12 : NON CURRENT INVESTMENTS**

1) Trade Investments ( UNQUOTED ) Janata Sahakari Bank Ltd.Pune		202500		98515
2 ) Other Investments				
a) Investment in Property.		-		-
b) Investment in Equity Instruments Everlon Power Ltd ( UNQUOTED ) (50000 Equity Shares of Rs.10/- each)		-		500000
Vakharia Power Infrastructure Ltd ( UNQUOTED ) (50000 Equity Shares of Rs.10/- each)		500000		-
BUBNA MAJOR BIOTECH LTD.	3900	39000	3900	39000
MIDEAST INT.STEELS LTD.	4000	80000	4000	80000
SANGHI POLYESTER LTD.	13200	1115400	13200	1115400
YULE FINANCE & LEASING LTD.	2700	27000	2700	27000
		1963900		1859915
Provision for diminution in value of shares		(1238410)		(1238410)
c) Investment in Preference Shares		-		-
d) Investment in Government or Trust Securities		-		-
e) Investment in Debenture or Bonds		-		-
f) Investment in Mutual Funds		-		-
g) Investment in Partnership Firms		-		-
h) Other non-current investments		-		-
<b>TOTAL</b>		<b>725490</b>		<b>621505</b>

Total Cost of Quoted Investment	1261400.00	1261400.00
Total Cost of Unquoted Investment	702500.00	598515.00
Market Value of Quoted Investment	22990.00	22990.00



**NOTE 13 - Long Term Loans and Advances**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Capital Advances	-	-
b) Security Deposits	194799	-
c) Loans & Advances to related parties	-	-
d) Other Loans & Advances	8076584	3562640
<b>TOTAL</b>	<b>8271383</b>	<b>3562640</b>

**NOTE 14- Other non-current assets**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Long term Trade receivables (Including trade receivables on deferred credit terms)	3122278	1655038
b) Others	-	-
<b>TOTAL</b>	<b>3122278</b>	<b>1655038</b>

**NOTE 15 - Current Investments**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Investment in Equity Instruments	-	-
b) Investment in Preference Shares	-	-
c) Investment in Government or Trust Securities	-	-
d) Investment in Debenture or Bonds	-	-
e) Investment in Mutual Funds	-	-
f) Investment in Partnership Firms	-	-
g) Other investments	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 16 - Inventories**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Raw Material	5031850	6247620
b) Stock in Process (Work in Progress)	2440461	4110257
c) Stock of Finished Goods	12536950	11028101
d) Stock in trade (Shares)	27892701	5300955
e) Stock of Stores & Spares	954394	871005
f) Loose Tools	-	-
g) Others (Stock of Scrap)	-	-
<b>TOTAL</b>	<b>48856356</b>	<b>27557938</b>

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

**NOTE 17 - Trade Receivables**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
(Unsecured, considered good)		
Debts outstanding for a period exceeding six Months	4338545	7894906
Other Debts	21608396	17553724
<b>TOTAL</b>	<b>25946941</b>	<b>25448630</b>

**NOTE 18 - Cash & Cash Equivalents**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Balances with Banks		
i) In Current Accounts	149956	201522
ii) In Unpaid Dividend Account	-	-
iii) In Fixed Deposits (All Deposits Maturing above Twelve Months)	2778257	2708706
b) Cheques and drafts on hand	-	-
c) Cash-on-hand	265670	113726
d) Others	-	-
<b>TOTAL</b>	<b>3193883</b>	<b>3023954</b>

**NOTE 19 - Short term Loan & Advances**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Loans & Advances to related parties	-	-
b) Others		
Prepaid Expenses	29758	77512
Staff Advance	347475	253086
Advances for expenses	0	0
<b>TOTAL</b>	<b>377233</b>	<b>330598</b>

**NOTE 20- Other current assets**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Interest Accrued on FDR	46125	84152
<b>TOTAL</b>	<b>46125</b>	<b>84152</b>

**NOTE 21 - Revenue from Operations**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Sale of Products	426031453	262013343
b) Sale of Services	-	-
c) Other Operating Revenues	-	-
	426031453	262013343
Less: State Excise Duty	-	-
<b>TOTAL</b>	<b>426031453</b>	<b>262013343</b>

**NOTE 22 - Other Income**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Interest Income	214648	195343
b) Dividend Income	276801	48802
c) Net gain on sale of Investment	43621	603456
d) Other non Operatng Income	200033	11955
<b>TOTAL</b>	<b>735103</b>	<b>859556</b>

**NOTE 23 - Cost of Materials Consumed**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Raw Materials Consumed		
Opening Stock	6247620	2266641
Add : Purchases	357241529	228223087
	363489149	230489728
Less: Closing Stock	5031850	6247620
	358457299	224242108
Packing and Other Materials Consumed		
Opening Stock	687819	522326
Add: Purchases	25524857	15952274
	26212676	16474600
Less: Closing Stock	674876	687819
	25537800	15786781
<b>TOTAL</b>	<b>383995099</b>	<b>240028889</b>

**NOTE 24 - Changes in inventories of finished goods  
Work-In-Progress & Stock in Trade**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Opening Stock		
Finished Goods	11028101	835886
Work-in-process	4110257	1392570
	15138358	2228456
Less: Closing Stock		
Finished Goods	12536950	11028101
Work-in-process	2440461	4110257
	14977411	15138358
<b>TOTAL</b>	<b>160947</b>	<b>(12909902)</b>

**NOTE 25 - Employee Benefit Expenses**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Salaries & Wages (including Bonus)	2160425	1756290
Contribution to Provident Fund & Other Funds	393376	176938
Employees Welfare	-	-
<b>TOTAL</b>	<b>2553801</b>	<b>1933228</b>

**NOTE 26 - Finance Costs**

Particulars		
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Interest on Term Loan	526448	163238
Bank Interest on Overdraft from Bank	2954380	1044436
Other Interest and Financial Charges	2414961	2993775
<b>TOTAL</b>	<b>5895789</b>	<b>4201449</b>

## NOTE 27 - Other Expenses

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Repairs & Maintenance		
- Plant & Machinery	2268998	1277265
- Building	-	-
- Others	-	-
Manufacturing Expenses	2732131	1877914
Bank charges & commission	263616	261444
Power & Fuel	19308061	10505921
Share Investment W/off	-	1107710
Loss on Sale of Assets	-	74965
Legal and Professional Charges	724476	454351
Postage, Telephone and Telegram Expenses	225070	212598
Printing & Stationery	69517	66336
Insurance	120485	102067
Commission paid on Sale	354601	360791
Directors Remuneration	360000	240000
Director Sitting Fees	9000	6000
Travelling & Conveyance	64983	156080
Vehicle Expenses	234353	195448
Auditor Remuneration		
- Audit Fees	65000	65000
- Tax Audit Fees.	10000	10000
- Taxation Matters	2500	10000
- Certification Works	37500	10000
Miscellaneous Expenses	649792	592192
<b>TOTAL</b>	<b>27500083</b>	<b>17586082</b>

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

	2011-2012 ( Rs.)	2010-2011 ( Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit/(loss) before Tax and Extraordinary items	3513578	6570724
<b>Adjustment for :</b>		
Depreciation	3147259	5462429
(Profit) / Loss on Sale of Assets (Net)	0	74965
Assets Written off	(582974)	0
Dividend Received	(276801)	(48802)
Interest Paid	5895789	4201449
Exceptional Income	(6733036)	0
Short provision for income tax provided	67308	0
(Profit)/Loss on sale of Investments (Net)	0	0
(Profit)/Loss on sale of Shares (Net)	(43621)	(602859)
<b>Operating profit before working capital charges</b>	<b>4987502</b>	<b>15657906</b>
<b>Adjustment for :</b>		
Trade and Other Receivables	(6682802)	(10374988)
Inventories	(21298418)	(17857957)
Trade Payable	(15309897)	20567267
<b>NET CASH USED FROM OPERATING ACTIVITIES</b>	<b>(38303615)</b>	<b>7992228</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(136098)	(19338257)
Sale of Fixed Assets	0	404965
Assets Written off	(582974)	0
(Increase)/Decrease in Investments	(103985)	65657
Dividend Received	276801	48802
Exceptional Income	(6733036)	445538
Profit/ (Loss) on sale of Assets (Net)	0	(74965)
Profit/ (Loss) on sale of Investment (Net)	0	0
Profit/ (Loss) on sale of Shares (Net)	43621	602859
<b>NET CASH USED FROM INVESTING ACTIVITIES</b>	<b>(7235671)</b>	<b>(17845401)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Secured Loans	34815004	14497309
Proceeds from Short Term Loans	16790000	(316430)
Interest Paid	(5895789)	(4201449)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>45709215</b>	<b>9979430</b>
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	169929	126257
<b>CASH &amp; CASH EQUIVALENTS :-</b>		
Opening Balance in the begning of the year	3023954	2897697
Closing Balance at the end of the year	3193883	3023954
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>169929</b>	<b>126257</b>

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

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

Place : Mumbai  
Date : 30/05/2012

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

J. K. Vakharia  
Managing Director  
— sd —

V. J. Vakharia  
Director

**NOTE - 28**

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

1. Computer 60%

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

2. Furniture & Fixtures 10%  
 3. Vehicles 15%  
 4. Electrical Installation 10%  
 5. Air Conditioning 15%  
 6. Testing Equipment 15%  
 7. Office Equipment 15%

III) In case of Plant and Machinery, Company has provided Depreciation on Straight Line method as perschedule XIV of Companies Act, 1956.

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

**c) Investments:**

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

**d) Valuation of Inventories:**

- 1) Raw Materials, Consumable, At Cost and other expenditure incurred inclusive of excise duty to bring the inventories to its present location and conditions. Cost is determined on FIFO basis.
- 2) Work-in-progress At Cost of material and labour together with relevant factory overheads.
- 3) Finished Goods At Cost of material and labour together with relevant factory overheads ( inclusive of excise duty ) or net realisable value whichever is lower
- 4) Stock of Shares At cost

**e) Impairment of Assets:**

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

**f) Provision for Retirement Benefits:**

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

**g) Contingent Liabilities:**

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

**02. Segement Results**

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

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

1. Related Party Relationships

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

2. Transactions with Related Parties

(Rs. in Lacs)

Type of Parties	Description of the nature of the transaction	Volume of Trans. of Trans.	2011-12		Volume of Trans. of Trans.	2010-11	
			Outstanding			Outstanding	
			2011-12	Receivable		Payable	2010-11
Where Control Exists	Loans	28130000/-	—	4175000/-	24025000/-	—	25410000/-
	Director's Remuneration and Sitting Fees	369000/-	—	—	246000/-	—	—
100% Subsidiary	Investment in Share Capital	5000000/-	—	—	5000000/-	—	—

**04. Earning per share**

	Year Ended March 2012	Year Ended March 2011
Profit / (Loss) attributable to the equity shareholders (Rs.in Lacs)	8246614	5716261
Number of Equity Shares Outstanding during the year.	5045600	5045600
Nominal value of Equity Shares	10	10
Basic/diluted earnings per share (Rs.) (with exceptional Income)	1.63	1.13
Basic/diluted earnings per share (Rs.) (without exceptional Income)	1.63	1.13

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

06. Information (required) in terms of paragraph 4 (ix) (b) of the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India in respect of disputed Excise Duty, Service Tax and Income Tax not deposited as on 31st March 2012 are as follows :

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

07. Break up of Repairs and Maintenance :	<b>31/03/2012</b>	<b>31/03/2011</b>
For Plant and Machineries	1099826	823832
For Others	1169172	453433
	<u>2268998</u>	<u>1277265</u>
	=====	=====

08. Auditors Remuneration is Rs.1,15,000/- (Previous year Rs.95,000/-) included in Profit and Loss Account is made up of:	<b>31/03/2012</b>	<b>31/03/2011</b>
Audit Fees	65000	65000
Tax Audit Fees	10000	10000
Certification Work	37500	10000
Taxation Matters	2500	10000
	<u>115000</u>	<u>95000</u>
	=====	=====

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

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

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

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

	<b>2011-2012 (Rupees)</b>	<b>2010-2011 (Rupees)</b>
i) Value of Import on CIF Basis	NIL	11,62,000/-
ii) F.O.B. Value of Exports	78,087/-	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	35,84,57,299/-	22,42,42,108/-
b) Imported	NIL	NIL

13. Sundry debtors and creditors are subject to confirmation

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

**SIGNATORIES TO NOTES NO. 1 TO 28**

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

— sd —

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

**Place : Mumbai**  
**Date : 30/05/2012**

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

— sd —

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

— sd —

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



**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To,  
The Board of Directors  
**EVERLON SYNTHETICS LIMITED**

We have audited the attached Consolidated Balance Sheet of EVERLON SYNTHETICS LIMITED (the Company) and its subsidiary Vakharia Power Infrastructure Limited as at 31st March, 2012 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been presented by the Management on the basis of separate financial statements and other information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

**We believe that our audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our Qualified Audit opinion.**

**Basis for Qualified Audit opinion**

Hereto Company was following written down value method as per Income-tax Act, 1961 for depreciation in respect of Plant & Machinery. During the year company has changed the method of Accounting by replacing of Written Down Value method to Straight Line Method of Accounting as per schedule XIV of Companies Act, 1956 which resulted in Lower provision of depreciation by Rs.67,33,036/- compared to last year. Had Company followed same depreciation as per last year, the profit would have been lower by that amount and negative balance in Reserves and Surplus would have been higher by that amount.

- 1) Financial statements of one subsidiary which reflects total Assets of Rs.5.00 lacs as at 31st March 2012, and total revenue of Rs. Nil have been audited by us.
- 2) We report that the consolidated financial statements have been prepared by the Company's management in Accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, AS 23. Accounting for Investments and AS 27, Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules, 2006.
- 3) Based on our audit as aforesaid, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair **subject to "Qualified Audit Opinion" as stated above in respect of "change in method of depreciation"** view in conformity with the accounting principles generally accepted in India.
  - i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2012
  - ii) In the case of the Consolidated Profit and Loss Account, of the Profit of the year ended on that date, and
  - iii) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

— sd —

P.T. POLADIA  
PROPRIETOR  
M NO.38757

Place: Mumbai.  
Dated: 30/05/2012

**EVERLON SYNTHETICS LIMITED  
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note No.	Current Year As at 31st March, 2012	Previous Year As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	1	50487000	50487000
b) Reserves & Surplus	2	(7700521)	(15879827)
c) Money received against share warrants		-	-
		<u>42786479</u>	<u>34607173.00</u>
<b>2. Share application money pending allotment</b>			
		-	-
<b>3. Non-Current Liabilities</b>			
a) Long-term Borrowings	3	44859456	25410000
b) Deferred tax liabilities		-	-
c) Other Long-term liabilities	4	-	-
d) Long-term Provisions	5	2150258	883266
		<u>47009714</u>	<u>26293266</u>
<b>4. Current Liabilities</b>			
a) Short-term Borrowings	6	29373456	14497309
b) Trade Payables	7	9029641	21663911
c) Other Current liabilities	8	4552282	4862804
d) Short-term provisions	9	2000000	1300000
		<u>44955379</u>	<u>42324024</u>
<b>TOTAL (1+2+3+4)</b>		<b><u>134751572</u></b>	<b><u>103224463</u></b>
<b>II. ASSETS</b>			
<b>1 Non-Current assets</b>			
a) Fixed Assets			
(i) Tangible assets	10	44661883	40940008
(ii) Intangible assets	11	-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
b) Non-Current investments	12	225490	121505
c) Deferred tax assets		-	-
d) Long-term loans and advances	13	8316087	4030425
e) Other non-current assets	14	3122278	1655038
		<u>56325738</u>	<u>46746976</u>
<b>2. Current Assets</b>			
a) Current Investments	15	-	-
b) Inventories	16	48856356	27557938
c) Trade Receivables	17	25946941	25448630
d) Cash and cash equivalents	18	3199179	3056169
e) Short-term Loans and Advances	19	377233	330598
f) Other current assets	20	46125	84152
		<u>78425834</u>	<u>56477487</u>
<b>TOTAL (1+2)</b>		<b><u>134751572</u></b>	<b><u>103224463</u></b>
Notes forming part of the Accounts	1 to 27		
Additional Notes forming part of accounts	28		

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

— sd —  
P.T.POLADIA  
(PROPRIETOR)  
M.No.38757

Place : Mumbai  
Date : 30/05/2012

For and on behalf of the  
Board of Directors

— sd —

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



**EVERLON SYNTHETICS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012.**

	Note No.	Current Year As at 31st March, 2012	Previous Year As at 31st March, 2011
I. Revenue from Operations	21	426031453	262013343
II. Other Income	22	735103	859556
<b>III. Total Revenue (I+II)</b>		<b>426766556</b>	<b>262872899</b>
<b>IV. Expenses</b>			
Cost of Material Consumed	23	383995099	240028889
Purchase of stock-in-Trade		-	-
Changes in inventories of finished goods- Work-in-progress and stock-in-trade	24	160947	(12909902)
Employee benefits expenses	25	2553801	1933228
Finance Costs	26	5895789	4201449
Depreciation & amortisation expenses	10	3147259	5462429
Other Expenses	27	27500083	17586082
<b>Total Expenses</b>		<b>423252978</b>	<b>256302175</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		3513578	6570724
VI. Exceptional Items (Depreciation Written Back)		6733036	-
VII. Profit before extraordinary items and tax (V-VI)		10246614	6570724
VIII. Extraordinary Items		0	(445537)
IX. Profit before tax (VII-VIII)		10246614	7016261
X. Tax Expense :			
(1) Current Tax		(2000000)	(1300000)
(2) Deferred Tax			
XI. Profit/(Loss) for the period from continuing operations (IX-X)		8246614	5716261
XII. Profit/(Loss) for the period from discontinuing operations		-	-
XIII. Tax Expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (After Tax (XII-XIII))		-	-
XV. Profit/(Loss) for the period (XI+XIV)		8246614	5716261
Add: Balance brought forward from Last Year		(34757276)	(40473537)
(Short)/Excess provision for Income Tax for earlier years (provided)/written back		(67308)	-
<b>Profit available for Appropriation</b>		<b>(26577970)</b>	<b>(34757276)</b>
Earning per share Basic & Diluted		1.63	1.13
Notes forming part of the Accounts	1 to 27		
Additional Notes forming part of accounts	28		

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

— sd —  
P.T.POLADIA  
(PROPRIETOR)  
M.No.38757

Place : Mumbai  
Date : 30/05/2012

For and on behalf of the  
Board of Directors

— sd —

J. K. Vakharia  
Managing Director

— sd —

V. J. Vakharia  
Director

**ACCOUNTING YEAR ENDED 31ST MARCH 2012**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	(Rupees)	
	Current Year Ended 31st March, 2012	Previous Year Ended 31st March, 2011
<b>NOTE - 1 SHARE CAPITAL</b>		
Authorised 60,00,000 Equity Shares of Rs.10/- each	60000000	60000000
(Previous year 60,00,000 equity shares of Rs.10/- each )	60000000	60000000
ISSUED 50,50,800 Equity Shares of Rs.10/- each (Previous year 50,50,800 Equity Shares of Rs.10/- each	50508000	50508000
	<b>50508000</b>	<b>50508000</b>
SUBSCRIBED AND PAID UP 50,45,600 Equity Shares of Rs.10/- each fully paid up (Previous year 50,45,600 equity shares of Rs.10/- each fully paid up	50456000	50456000
Add:Paid up value of Shares Forfeited (5200 Equity Shares of Rs.10/- each)	31000	31000
<b>TOTAL</b>	<b>50487000</b>	<b>50487000</b>

- a) There are no (Previous year - No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.  
b) There are nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or subsidiary or associates of the holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.  
c) Shares in the company held by each shareholders holding more than 5% shares

Name of the Shareholder	No of Shares held	Percentage (%)
Jitendra K.Vakharia -HUF	752198	14.91
Jitendra K.Vakharia	506000	10.03
Prachi J.Vakharia	391801	7.77
Varsha J.Vakharia	273320	5.42

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

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

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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

## NOTE 2 - Reserve &amp; Surplus

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Capital Reserve	18877449	18877449
b) Capital Redemption Reserve	-	-
c) Securities Premium Reserve	-	-
d) Debenture Redemption Reserve	-	-
e) Revaluation Reserve	-	-
f) Share Option Outstanding Account	-	-
g) Other Reserves	-	-
General Reserve	-	-
As per Last Balance Sheet	-	-
Add: Transfer from Profit and Loss Account	-	-
	<u>18877449</u>	<u>18877449</u>
Less: Transfer from Profit and Loss Account	-	-
Balance	<u>18877449</u>	<u>18877449</u>
h) Surplus		
As per Last Balance Sheet	(34757276)	(40473537)
Add:- Surplus for the current year	8246614	5270724
Less:- Short Provision of the previous year provided	(67308)	445537
	<u>(26577970)</u>	<u>(34757276)</u>
Less: Transferred to General Reserve		
Proposed Dividend	-	-
Tax on Dividend	-	-
	<u>(26577970)</u>	<u>(34757276)</u>
Balance	-	-
Gross Total (a+h)	<u>(7700521)</u>	<u>(15879827)</u>

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

## NOTE 3 - Long Term Borrowings

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Bonds / Debentures	-	-
b) Term loans from Bank ( Secured)		
Term Loans from Janata Sahakari Bank Ltd,Pune Secured by hypothecation of Machinery	3109456	-
c) Deferred payments Liabilities	-	-
d) Deposits	-	-
e) Loans and Advances from related parties		
i) Loan recd from Pvt.Ltd Co. (Unsecured)	41750000	25410000
f) Long term maturities of finance lease obligations	-	-
g) Other loans & Advances	-	-
<b>TOTAL</b>	<u><b>44859456</b></u>	<u><b>25410000</b></u>

## NOTE 4 - Other Long-Term Liabilities

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Trade payables	-	-
b) Others	-	-
<b>TOTAL</b>	<u><b>-</b></u>	<u><b>-</b></u>

## NOTE 5 - Long-Term Provisions

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Provisions for employees benefits ( Gratuity )	850258	568266
b) Others (Income Tax A.Y.2012-13)	1300000	315000
<b>TOTAL</b>	<u><b>2150258</b></u>	<u><b>883266</b></u>

**NOTE 6 - Short Term Borrowings**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Secured Repayable on demand from Banks Overdraft from Janata Sahakari Bank Ltd,Pune (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 )	29373456	14497309
<b>TOTAL</b>	<b>29373456</b>	<b>14497309</b>

**NOTE 7 - Trade Payables**

Particulars	Current Year Ended		Previous Year Ended	
	31.03.2012		31.03.2011	
a) Due to Micro,Small & Medium Enterprises	-	-	-	-
b) Others	9029641	-	21663911	-
<b>TOTAL</b>	<b>9029641</b>	<b>21663811</b>	<b>21663811</b>	<b>9029641</b>

**NOTE 8 - Other Current Liabilities**

Particulars	Current Year Ended		Previous Year Ended	
	31.03.2012		31.03.2011	
a) Current Maturities of longterm debts (Term Loan)	2332092	-	-	-
b) Current Maturities of finance lease obligations	-	-	-	-
c) Interest accrued but not due on borrowings	-	-	-	-
d) Interest accrued and due on borrowings	1365320	-	-	-
e) Income received in advance	-	-	-	-
f) Unpaid Dividends	-	-	-	-
g) Application Money received from allotment of securities and due for refund and interest accrued thereon.	-	-	-	-
h) Unpaid matured deposits and interest accrued thereon	-	-	-	-
i) Unpaid matured debentures and interest accrued thereon	-	-	-	-
j) Other payables	-	-	-	-
Creditors for Expenses / Assets	-	-	-	-
Other Liabilities	-	-	-	-
Statutory Liability	54611	62804	-	-
Advance received from Customers & others	800259	4800000	-	-
<b>TOTAL</b>	<b>4552282</b>	<b>4862804</b>	<b>4862804</b>	<b>4552282</b>

**NOTE 9- Short-term Provisions**

Particulars	Current Year Ended		Previous Year Ended	
	31.03.2012		31.03.2011	
a) Provision for employees benefit	-	-	-	-
b) Others	-	-	-	-
Provision for Tax	2000000	1300000	-	-
Proposed Dividend	-	-	-	-
Tax on Dividend	-	-	-	-
<b>TOTAL</b>	<b>2000000</b>	<b>1300000</b>	<b>1300000</b>	<b>2000000</b>

**EVERLON SYNTHETICS LIMITED**  
ACCOUNTING YEAR ENDED : 31ST MARCH, 2012.

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

Description	← GROSS BLOCK →				← DEPRECIATION →				← NET BLOCK →		
	As at 01.04.2011	Addition	Deduc.	As at 31.03.12	As at 01.04.2011	For the year	Dedu/ written Back	As at 31.03.12	As at 31.03.11		
Tangible Assets											
Land at Dadra	2078580	0	0	2078580	0	0	0	2078580	2078580	2078580	2078580
Factory Building	15139538	27980	0	15167518	8697458	647006	0	5823054	6442080	6442080	6442080
Plant & Machinery	47886817	112486	6617307	41381996	18071396	2184970	13350343	34475973	29815421	29815421	29815421
Electric Fittings	4226305	0	0	4226305	2491659	173464	0	1561182	1734646	1734646	1734646
Computers	557725	0	0	557725	504402	31995	0	21328	53323	53323	53323
Office equipments	62326	0	0	62326	38561	3564	0	20201	23765	23765	23765
Furniture & Fixtures	449597	0	4368	445229	198208	25139	0	223347	251389	251389	251389
Vehicle	697723	0	0	697723	159953	80666	0	457104	537770	537770	537770
Testing Equipments	170710	0	0	170710	167676	455	0	2579	3034	3034	3034
Total Tangible Assets (a)	71269321	140466	6621675	64788112	30329313	3147259	13350343	20126229	40940008	40940008	40940008
Intangible Assets											
Brand Development	-	-	-	-	-	-	-	-	-	-	-
Total intangible Assets (b)	-	-	-	-	-	-	-	-	-	-	-
<b>Total (a+b)</b>	<b>71269321</b>	<b>140466</b>	<b>6621675</b>	<b>64788112</b>	<b>30329313</b>	<b>3147259</b>	<b>13350343</b>	<b>20126231</b>	<b>40940008</b>	<b>40940008</b>	<b>40940008</b>
Previous Period	56940821	19338257	5009757	71269321	29471676	5462429	4604792	30329313	40940008	40940008	27469145

**NOTE 11- Intangible Assets**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Goodwill	-	-
b) Brands / Trademarks	-	-
c) Computer Software	-	-
d) Mastheads and publishing titles	-	-
e) Mining rights	-	-
f) copyrights & patents and other intellectual propertyrights, Services and operating rights.	-	-
g) Receipts, formulae, models, designs and prototypes	-	-
h) Licences and franchise	-	-
g) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

NOTES ON FORMING PART OF CONSOLIDATED BALANCE SHEET	No.of Shares	Current Year 31.03.2012	No.of Shares	Previous Year 31.03.2011
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**NOTE 12 : NON CURRENT INVESTMENTS**

1) Trade Investments ( UNQUOTED ) Janata Sahakari Bank Ltd.Pune		202500		98515
2) Other Investments				
a) Investment in Property.		-		-
b) Investment in Equity Instruments Everlon Power Ltd ( UNQUOTED ) (50000 Equity Shares of Rs.10/- each)		-		-
BUBNA MAJOR BIOTECH LTD.	3900	39000	3900	39000
MIDEAST INT.STEELS LTD.	4000	80000	4000	80000
SANGHI POLYESTER LTD.	13200	1115400	13200	1115400
YULE FINANCE & LEASING LTD.	2700	27000	2700	27000
		1261400		1261400
		1463900		1359915
Provision for diminution in value of shares		(1238410)		(1238410)
c) Investment in Preference Shares		-		-
d) Investment in Government or Trust Securities		-		-
e) Investment in Debenture or Bonds		-		-
f) Investment in Mutual Funds		-		-
g) Investment in Partnership Firms		-		-
h) Other non-current investments		-		-
<b>TOTAL</b>		<b>225490</b>		<b>121505</b>
Total Cost of Quoted Investment		1261400.00		1261400.00
Total Cost of Unquoted Investment		202500.00		598515.00
Market Value of Quoted Investment		22990.00		22990.00

**NOTE 13 - Long Term Loans and Advances**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Capital Advances	-	-
b) Security Deposits	194799	-
c) Loans & Advances to related parties	-	-
d) Other Loans & Advances	8121288	4030425
<b>TOTAL</b>	<b>8316087</b>	<b>4030425</b>

**NOTE 14- Other non-current assets**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Long term Trade receivables (Including trade receivables on deferred credit terms)	3122278	1655038
b) Others	-	-
<b>TOTAL</b>	<b>3122278</b>	<b>1655038</b>

**NOTE 15 - Current Investments**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Investment in Equity Instruments	-	-
b) Investment in Preference Shares	-	-
c) Investment in Government or Trust Securities	-	-
d) Investment in Debenture or Bonds	-	-
e) Investment in Mutual Funds	-	-
f) Investment in Partnership Firms	-	-
g) Other investments	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 16 - Inventories**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Raw Material	5031850	6247620
b) Stock in Process (Work in Progress)	2440461	4110257
c) Stock of Finished Goods	12536950	11028101
d) Stock in trade (Shares)	27892701	5300955
e) Stock of Stores & Spares	954394	871005
f) Loose Tools	-	-
g) Others (Stock of Scrap)	-	-
<b>TOTAL</b>	<b>48856356</b>	<b>27557938</b>

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

**NOTE 17 - Trade Receivables**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
(Unsecured, considered good)		
Debts outstanding for a period exceeding six Months	4338545	7894906
Other Debts	21608396	17553724
<b>TOTAL</b>	<b>25946941</b>	<b>25448630</b>

**NOTE 18 - Cash & Cash Equivalents**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Balances with Banks		
i) In Current Accounts	151076	225632
ii) In Unpaid Dividend Account	-	-
iii) In Fixed Deposits (All Deposits Maturing above Twelve Months)	2778257	2708706
b) Cheques and drafts on hand	-	-
c) Cash-on-hand	269846	121831
d) Others	-	-
<b>TOTAL</b>	<b>3199179</b>	<b>3056169</b>

**NOTE 19 - Short term Loan & Advances**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Loans & Advances to related parties	-	-
b) Others		
Prepaid Expenses	29758	77512
Staff Advance	347475	253086
Advances for expenses	0	0
<b>TOTAL</b>	<b>377233</b>	<b>330598</b>

**NOTE 20- Other current assets**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Interest Accrued on FDR	46125	84152
<b>TOTAL</b>	<b>46125</b>	<b>84152</b>

**NOTE 21 - Revenue from Operations**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Sale of Products	426031453	262013343
b) Sale of Services	-	-
c) Other Operating Revenues	-	-
	426031453	262013343
Less: State Excise Duty	-	-
<b>TOTAL</b>	<b>426031453</b>	<b>262013343</b>

**NOTE 22 - Other Income**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
a) Interest Income	214648	195343
b) Dividend Income	276801	48802
c) Net gain on sale of Investment	43621	603456
d) Other non Operating Income	200033	11955
<b>TOTAL</b>	<b>735103</b>	<b>859556</b>

**NOTE 23 - Cost of Materials Consumed**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Raw Materials Consumed		
Opening Stock	6247620	2266641
Add : Purchases	357241529	228223087
	363489149	230489728
Less: Closing Stock	5031850	6247620
	358457299	224242108
Packing and Other Materials Consumed		
Opening Stock	687819	522326
Add: Purchases	25524857	15952274
	26212676	16474600
Less: Closing Stock	674876	687819
	25537800	15786781
<b>TOTAL</b>	<b>383995099</b>	<b>240028889</b>

**NOTE 24 - Changes in inventories of finished goods  
Work-In-Progress & Stock in Trade**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Opening Stock		
Finished Goods	11028101	835886
Work-in-process	4110257	1392570
	<u>15138358</u>	<u>2228456</u>
Less: Closing Stock		
Finished Goods	12536950	11028101
Work-in-process	2440461	4110257
	<u>14977411</u>	<u>15138358</u>
<b>TOTAL</b>	<b><u>160947</u></b>	<b><u>(12909902)</u></b>

**NOTE 25 - Employee Benefit Expenses**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Salaries & Wages (including Bonus)	2160425	1756290
Contribution to Provident Fund & Other Funds	393376	176938
Employees Welfare	-	-
<b>TOTAL</b>	<b><u>2553801</u></b>	<b><u>1933228</u></b>

**NOTE 26 - Finance Costs**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Interest on Term Loan	526448	163238
Bank Interest on Overdraft from Bank	2954380	1044436
Other Interest and Financial Charges	2414961	2993775
<b>TOTAL</b>	<b><u>5895789</u></b>	<b><u>4201449</u></b>

**NOTE 27 - Other Expenses**

Particulars	(Rupees)	
	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Repairs & Maintenance		
- Plant & Machinery	2268998	1277265
- Building	-	-
- Others	-	-
Manufacturing Expenses	2732131	1877914
Bank charges & commission	263616	261444
Power & Fuel	19308061	10505921
Share Investment W/off	-	1107710
Loss on Sale of Assets	-	74965
Legal and Professional Charges	724476	454351
Postage, Telephone and Telegram Expenses	225070	212598
Printing & Stationery	69517	66336
Insurance	120485	102067
Commission paid on Sale	354601	360791
Directors Remuneration	360000	240000
Director Sitting Fees	9000	6000
Travelling & Conveyance	64983	156080
Vehicle Expenses	234353	195448
Auditor Remuneration		
- Audit Fees	65000	65000
- Tax Audit Fees.	10000	10000
- Taxation Matters	2500	10000
- Certification Works	37500	10000
Miscellaneous Expenses	649792	592192
<b>TOTAL</b>	<b><u>27500083</u></b>	<b><u>17586082</u></b>



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

	2011-2012 ( Rs.)	2010-2011 ( Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit/(loss) before Tax and Extraordinary items	3513578	6570724
<b>Adjustment for :</b>		
Depreciation	3147259	5462429
(Profit) / Loss on Sale of Assets (Net)	0	74965
Assets Written off	(582974)	0
Dividend Received	(276801)	(48802)
Interest Paid	5895789	4201449
Exceptional Income	(6733036)	0
Short provision for income tax provided	67308	0
(Profit)/Loss on sale of Investments (Net)	0	0
(Profit)/Loss on sale of Shares (Net)	(43621)	(602859)
Operating profit before working capital charges	4987502	15657906
Adjustment for :		
Trade and Other Receivables	(6682802)	(10374988)
Inventories	(21298418)	(17857957)
Trade Payable	(15304601)	20567267
<b>NET CASH USED FROM OPERATING ACTIVITIES</b>	<b>(38298319)</b>	<b>7992228</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(136098)	(19338257)
Sale of Fixed Assets	0	404965
Assets Written off	(582974)	0
(Increase)/Decrease in Investments	(103985)	65657
Dividend Received	276801	48802
Exceptional Income	(6733036)	445538
Profit/ (Loss) on sale of Assets (Net)	0	(74965)
Profit/ (Loss) on sale of Investment (Net)	0	0
Profit/ (Loss) on sale of Shares (Net)	43621	602859
<b>NET CASH USED FROM INVESTING ACTIVITIES</b>	<b>(7235671)</b>	<b>(17845401)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Secured Loans	34815004	14497309
Proceeds from Short Term Loans	16790000	(316430)
Interest Paid	(5895789)	(4201449)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>45709215</b>	<b>9979430</b>
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	175225	126257
<b>CASH &amp; CASH EQUIVALENTS :-</b>		
Opening Balance in the beginning of the year	3023954	2897697
Closing Balance at the end of the year	3199179	3023954
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>175225</b>	<b>126257</b>

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

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

Place : Mumbai  
Date : 30/05/2012

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

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

**V. J. Vakharia**  
Director

**NOTE - 28**

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AND ACCOUNTING POLICIES:

**01. ACCOUNTING POLICIES:****a) Basis of Preparation**

The consolidated financial statements of Everlon Synthetics Ltd and its subsidiary company have been prepared to comply in all material respects with the notified Accounting Standards issued by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by Company and are consistent with those used in the previous year.

**b) Principles of Consolidation**

- i) The consolidated financial statements of the group have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' notified under by the Companies (Accounting Standards) Rules, 2006 (as amended)
- ii) The Financial Statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra group transactions, balances and unrealized surpluses and deficits on transaction.
- iii) The company considered in the consolidated financial statements is as below:-

Sr. No.	Name of Company (Subsidiary)	Proportion of ownership interest either directly or indirectly	
		As on 31/03/2012	As on 31/03/2011
1.	Vakharia Power Infrastructure Ltd.	100%	N.A.

**c) Recognition of Income & Expenditure**

The Accounts are prepared on an accrual basis.

**b) Fixed Assets and Depreciation:**

- I) Fixed Assets includes all expenditure of Capital nature and are stated at cost of Acquisition, Installation and commissioning less depreciation. Fixed Assets are stated at historical cost.
- II) Depreciation on Fixed Assets other than Land is provided as per written down value method of Income Tax Act, 1961, which is not lower than minimum rates prescribed under schedule XIV of Companies Act in case of following Assets:-

1. Computer	60%
-------------	-----

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

2. Furniture & Fixtures	10%
3. Vehicles	15%
4. Electrical Installation	10%
5. Air Conditioning	15%
6. Testing Equipment	15%
7. Office Equipment	15%

- III) No Depreciation has been provided on assets sold/discarded during the year.
- IV) In case of Plant and Machinery, Company has provided Depreciation on Straight Line method as perschedule XIV of Companies Act,1956.
- V) 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.<br>Cost is determined on FIFO basis. |
| 2) Work-in-progress           | At Cost of material and labour together with relevant factory overheads.  |
| 3) Finished Goods             | At Cost of material and labour together with relevant factory overheads ( inclusive of excise duty ) or net realisable value whichever is lower                       |
| 4) Stock of Shares            | At cost   |

e) Impairment of Assets:

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

h) Provision for Retirement Benefits:

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

i) Contingent Liabilities

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

02. Segment Results

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

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

1. Related Party Relationship

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

2. Transactions with Related Parties

(Rs. in Lacs)

Type of Parties	Description of the nature of the transaction	Volume of Trans.	2011-12		Volume of Trans.	2010-11	
			Outstanding			Outstanding	
			2011-12	Receivable		Payable	2010-11
Where Control Exists	Loans	28130000/-	—	4175000/-	24025000/-	—	25410000/-
	Director's Remuneration and Sitting Fees	369000/-	—	—	246000/-	—	—
100% Subsidiary	Investment in Share Capital	500000/-	—	—	500000/-	—	—

04. Earning per share

	Year Ended March 2012	Year Ended March 2011
Profit / (Loss) attributable to the equity shareholders (Rs.in Lacs)	8246614	5716261
Number of Equity Shares Outstanding during the year.	5045600	5045600
Nominal value of Equity Shares	10	10
Basic/diluted earnings per share (Rs.) (with exceptional Income)	1.63	1.13
Basic/diluted earnings per share (Rs.) (without exceptional Income)	1.63	1.13

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

06. Information (required) in terms of paragraph 4 (ix) (b) of the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India in respect of disputed Excise Duty, Service Tax and Income Tax not deposited as on 31st March 2012 are as follows :

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

07. Break up of Repairs and Maintenance :

	31/03/2012	31/03/2011
For Plant and Machineries	1099826	823832
For Others	1169172	453433
	<u>2268998</u>	<u>1277265</u>
	=====	=====

08. Auditors Remuneration is Rs.1,15,000/- (Previous year Rs.95,000/-) included in Profit and Loss Account is made up of:	<b>31/03/2012</b>	<b>31/03/2011</b>
Audit Fees	65000	65000
Tax Audit Fees	10000	10000
Certification Work	37500	10000
Taxation Matters	2500	10000
	<u>115000</u>	<u>95000</u>
	=====	=====

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

10. Contingent Liabilities: -

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

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

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

	<b>2011-2012 (Rupees)</b>	<b>2010-2011 (Rupees)</b>
i) Value of Import on CIF Basis	NIL	11,62,000/-
ii) F.O.B. Value of Exports	78,087/-	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	35,84,57,299/-	22,42,42,108/-
b) Imported	NIL	NIL

13. Sundry debtors and creditors are subject to confirmation

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

**SIGNATORIES TO NOTES NO. 1 TO 28**

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

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

Place : Mumbai  
Date : 30/05/2012

For and on behalf of the  
Board of Directors

— Sd —

J. K. VAKHARIA  
MANAGING DIRECTOR

— Sd —

V. J. VAKHARIA  
DIRECTOR

Statement pursuant to Section 212 of the Companies Act, 1956,  
Related to Subsidiary Companies as at 31st March, 2012

	<b>Vakharia Power Infrastructure Ltd. (In INR)</b>
<b>The Financial Year Ending of the Subsidiary Companies</b>	<b>31st March 2012</b>
Shares of the Subsidiary Company held by Company on the above date: (a) Number	50,000
Face Value	Equity shares of Rupee 10 each (Six Hundred Equity shares of Rs.10/- each are held by Authorised nominees of the Company.
b) Extent of holding	100%
The net aggregate of Profits /Loss of the Subsidiary Companies so far as it concerns the members of Company	
a) Not dealt with in accounts of the Company (in Rupee)	
i) for the subsidiary's financial year ended 31.03.2012	NIL
ii) for the previous financial years of subsidiary since it became a subsidiary.	N.A.
b) dealt with in the accounts of the Company	
i) for the subsidiary's financial year ended 31.03.2012	NIL
ii) for the previous financial years of subsidiary since it became a subsidiary.	N.A.

For and on behalf of the  
Board of Directors

— Sd —

Jitendra K. Vakharia  
Managing Director

— Sd —

Varsha J. Vakharia  
Director

Place: Mumbai  
Dated: 30th May 2012

## AUDITOR'S REPORT

To  
The Members of  
**VAKHARIA POWER INFRASTRUCTURE LTD.**

We have audited the attached Balance Sheet of VAKHARIA POWER INFRASTRUCTURE LTD as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis of our opinion in conformity with the accounting principles generally accepted in India.

1. As required by Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of Companies Act, 1956, we give in the Annexure statement on matters specified in Paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above we state that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss Account (not prepared in view of no operation during the year under the audit) referred to in this report are in agreement with the books of accounts.
  - d) In our opinion, the Profit & Loss Account (not prepared in view of no operation during the year under the audit) and the Balance Sheet comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 .
  - e) In our opinion and as per information and according to the explanations given to us no director is disqualified from being appointed as Director under clause (9) of Sub section (1) of Section 274.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account (not prepared in view of no operation during the year under audit) read together the notes thereon and give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
  - i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 2012 and
  - ii) in so far as it relates to the Profit & Loss Account of the Profit / Loss (not determined in view of no operation during the year under audit) the Company for the year ended on that date.

For **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn No. 128274W)

— Sd —

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

Place: Mumbai.  
Dated: 30/05/2012

**VAKHARIA POWER INFRASTRUCTURE LTD.**  
**ACCOUNTING YEAR ENDED 31ST MARCH, 2012**

**ANNEXURE TO THE AUDITOR'S REPORT:**  
**REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:**

- i) The Company has not taken loan from any company covered in register maintained under 301 of the Companies Act, 1956. The company has not given any loans during the year to parties covered in the register maintained u/s.301 of the Companies Act, 1956.
- ii) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control.
- iii) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (v) (b) of the Order is not applicable during the year under Audit.
- iv) The Company has not accepted any deposits from public.
- v) a) According to the records and as per information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed amount of statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March 2012, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- vi) The Company has not defaulted in repayment of dues to bank or financial institution.
- vii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other Securities.
- viii) On the basis of the information and explanations given to us, the company has not given any guarantee for Loans taken by others from bank or financial institutions.
- ix) According to the information and explanation given to us the Company has not raised any term loan from banks.
- x) According to the information and explanations given to us and on an overall examination of the balance sheet and other records of the company, we are of the opinion that funds, raised on short-term basis have not, prima facie, been used for long term investment and vice-versa.
- xi) During the year, the Company has not made preferential allotment of shares to a party covered in the Register maintained under section 301 of the companies Act, 1956.
- xii) The Company did not have any outstanding debentures during the year.
- xiii) The Company has not raised any money by public issues during the year.
- xiv) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- xv) In our opinion and according to information and explanation given to us Clauses (i) (ii), (vii) & (viii) (x) (xiii) and (xiv) of the Para 4 of the Order are not applicable to the Company for the year under Audit.

For **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn No. 128274W)

— Sd —

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

Place: Mumbai.  
Dated: 30/05/2012

**VAKHARIA POWER INFRASTRUCTUE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

PARTICULARS	Note No.	(Rupees)	
		Current Year As at 31 March 2012	Previous Year As at 31 March 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	1	500000	-
b) Reserves & Surplus		-	-
c) Money received against share warrants		-	-
		500000	-
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non-Current Liabilities</b>		-	-
a) Long-term Borrowings		-	-
b) Deferred tax liabilities		-	-
c) Other Long-term liabilities		-	-
d) Long-term Provisions		-	-
<b>4. Current Liabilities</b>		-	-
a) Short-term Borrowings		-	-
b) Trade Payables		-	-
c) Other Current liabilities		-	-
d) Short-term provisions		-	-
<b>TOTAL (1+2+3+4)</b>		<b>500000</b>	<b>-</b>
<b>II. ASSETS</b>			
<b>1 Non-Current assets</b>			
a) Fixed Assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
b) Non-Current investments		-	-
c) Deferred tax assets		-	-
d) Long-term loans and advances	2	450000	-
e) Other non-current assets		-	-
		450000	-

**2. Current Assets**

a) Current Investments		-	-
b) Inventories		-	-
c) Trade Receivables		-	-
d) Cash and cash equivalents	3	5296	-
e) Short-term Loans and Advances		-	-
f) Other current assets		-	-
Preliminary & Preoperation Expenses		44704	-
		50000	-
<b>TOTAL (1+2)</b>		<b>500000</b>	<b>-</b>

Notes forming part of the Accounts 1 to 3

Additional Notes forming part of accounts 4

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

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

Place : Mumbai  
Date : 30/05/2012

For and on behalf of the  
Board of Directors

— Sd —

**J. K. Vakharia**  
Managing Director

— Sd —

**V. J. Vakharia**  
Director



**ACCOUNTING YEAR ENDED 31ST MARCH 2012**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

<b>NOTE - 1 SHARE CAPITAL</b>	<b>(Rupees)</b>	
	<b>Current Year Ended</b>	<b>Previous Year Ended</b>
	<b>31 March 2012</b>	<b>31 March 2011</b>
Authorised 50,000 Equity Shares of Rs.10/- each	500000	0
	<u>500000</u>	<u>0</u>
ISSUED 50,000 Equity Shares of Rs.10/- each	500000	0
	<u>500000</u>	<u>0</u>
SUBSCRIBED AND PAID UP 50,000 Equity Shares of Rs.10/- each fully paid up	500000	0
<b>TOTAL</b>	<b><u>500000</u></b>	<b><u>0</u></b>

- a) There are no (Previous year - No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.
- b) There are nil shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or subsidiary or associates of the holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.
- c) Shares in the company held by each shareholders holding more than 5% shares

Name of the Shareholder	No of Shares held	Percentage (%)
Everlon Synthetics Ltd	50000	100

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

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

f) There are no securities (Previous year No) convertible into Equity/Preferential Shares.

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

**NOTE 2 - Long Term Loans and Advances**

<b>Particulars</b>	<b>(Rupees)</b>	
	<b>Current Year Ended</b>	<b>Previous Year Ended</b>
	<b>31.03.2012</b>	<b>31.03.2011</b>
Capital Advances	-	-
Security Deposits		
Loans & Advances to related parties	450000	-
Other Loans & Advances		
<b>TOTAL</b>	<b><u>450000</u></b>	<b><u>-</u></b>

**NOTE 3 - Cash & Cash Equivalents**

<b>Particulars</b>	<b>(Rupees)</b>	
	<b>Current Year Ended</b>	<b>Previous Year Ended</b>
	<b>31.03.2012</b>	<b>31.03.2011</b>
Balances with Banks		
i) In Current Accounts	1120	-
ii) In Unpaid Dividend Account		
iii) In Fixed Deposits (All Deposits Maturing above Twelve Months)		
Cheques and drafts on hand		
Cash-on-hand	4176	-
Others		
<b>TOTAL</b>	<b><u>5296</u></b>	<b><u>-</u></b>



**NOTE 4**  
**Notes on Accounts and Accounting Policies**

- 1) This being first year of operation of Accounts, previous year figures are not applicable.
- 2) Since there is no operation during the year, Profit & Loss Account is not prepared.
- 3) Information pursuant to Part of schedule VI of Companies Act, 1956 are not given in view of no operation during the year.
- 4) **i) Recognition of Income and Expenditure**  
Accounts are recognized on an accrual basis.  
  
**ii) Gratuity:**  
No provision has made since there are no employee during the year  
  
**iii) Deferred Tax Assets / Liabilities :**  
The Company has not recognized "Deferred Tax Assets / Liabilities" as required by Accounting Standards 22 "Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India.

-----  
**Signatories to Note No.1 TO 4**

As per our report of even date  
for **POLADIA & CO.**  
**CHARTERED ACCOUNTANTS**  
(FIRM REGN NO.128274W)  
— Sd —  
**P.T.POLADIA**  
(PROPRIETOR)  
M.No.38757

Place : Mumbai  
Date : 30/05/2012

For and on behalf of the  
Board of Directors

— Sd —  
**J. K. Vakharia**  
**Managing Director**  
— Sd —  
**V. J. Vakharia**  
**Director**

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

Dear Sir,/Madam,

**RE: Green Initiative in Corporate Governance**

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

Folio No. : \_\_\_\_\_  
DP ID : \_\_\_\_\_  
Client ID : \_\_\_\_\_  
PAN : \_\_\_\_\_  
Name of 1st Registered Holder : \_\_\_\_\_  
Name of Joint Holder(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_

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

**Important Notes:**

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

**EVERLON SYNTHETICS LIMITED**

**Registered Office**

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

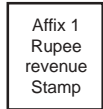
**PROXY**

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

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

I/We.....of  
 ..... in the district of  
 being a member / members of the above named Company hereby appoint  
 .....of.....in the district of  
 ..... on falling him.....of  
 ..... in the district of .....as my / our  
 proxy to vote for me / us on my / our behalf at the 23rd Annual General Meeting of the Company to be held on Saturday, the 25th August 2012 at 11.30 a.m. and at any adjournment thereof.

Signed this..... day of.....2012



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

**EVERLON SYNTHETICS LIMITED**

**Registered Office**

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

**ATTENDANCE SLIP**

I hereby record my presence at the 23rd General Meeting held at Registered Office of the Company at 67, Regent Chambers, 6th Floor, 208, Nariman Point, Mumbai - 400 021. on Saturday, the 25th August 2012 at 11.30 a.m.

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

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

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

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

BOOK-POST

To,

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

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*23rd*  
*Annual Report*  
*2011-2012*

**Everlon  
Synthetics  
Limited**