

EVERLON
SYNTHETICS
LIMITED

22 ND
ANNUAL REPORT
(2010 - 2011)

ACCOUNTING YEAR ENDED
31st MARCH 2011

CONTENTS

Sr. No.	Particulars	Page No.
1	Board of Directors	1
2	Notice	2
3	Corporate Governance Report	6
4	Director's Report, Management Discussion and Analysis Report	12
5	Auditor's report	16
6	Balance Sheet	19
7	Profit & Loss Account	20
8	Cash Flow Statement	21
9	Schedule Forming Part of Balance Sheet & Profit and Loss A/c	22
10	Notes on Accounts	28
11	Balance Sheet Abstract	33
12	Auditor's Report on Consolidated Financial Statement	34
13	Consolidated Balance Sheet, Profit & Loss Account & Schedules	35
14	Consolidated Cash Flow Statement	37
15	Notes on Consolidated Financial Statement	44
16	Statement u/s 212 of The Companies Act, 1956	48
17	Auditor's Report on Subsidiary Company	49
18	Balance Sheet, Schedules & Notes of Subsidiary Company	51
19	E-Communication Registration Form	54
20	Proxy Form & Attendance Slip 22nd for AGM	55

EVERLON SYNTHETICS LIMITED

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

FACTORY

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

LISTED AT

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

REGISTRAR & SHARE TRANSFER AGENTS

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

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on Saturday, 13th August 2011 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 2011, together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Smt. Varsha J. Vakharia who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to limits laid down under aforesaid Sections/Schedule XIII, the consent of the members be and is hereby given for re-appointment of Shri Jitendra K. Vakharia as the Managing Director of the company for a further period of 5 years with effect from 1st October 2011 upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice”.

“RESOLVED FURTHER THAT Shri Jitendra K. Vakharia, Managing Director be in charge of general management of the company within the provisions of Articles of Association but subject to superintendence, control and direction of the Board of Directors”.

“RESOLVED FURTHER THAT Shri Jitendra K. Vakharia, will be a non rotational Director and shall not be liable to retire by rotation during his term as Managing Director”.

RESOLVED FURTHER THAT the Managing Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the company and shall not be entitled to any sitting fees for attending meeting of the Board of Directors and Committee(s) thereof”.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms of re-appointment specified in Schedule XIII and other applicable Sections of the Companies Act, 1956 or any other statutory modifications thereof as may be agreed to by the Board of Directors and Shri Jitendra K. Vakharia.

“RESOLVED FURTHER THAT in case of loss or inadequate profit in any financial year during the tenure of Managing Director, he shall be paid the remuneration set out in Explanatory Statement as minimum remuneration”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of Directors”.

Place : Mumbai
Dated: 30th May 2011

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) Explanatory Statement in respect of Special Business is attached herewith.
- c) The Register of Members and Share transfer books of the Company will remain closed from Friday 5th August 2011 to Saturday 13th August 2011 (both days inclusive) for the purpose of Annual General Meeting.
- d) 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.
- e) Unpaid / Unclaimed Dividend:
In terms of amended Section 205-A and newly introduced Section 205-C, the company is now required to transfer unpaid/ unclaimed dividend to the credit of Investors Education and Protection Fund on expiry of seven years from the date of transfer to unpaid dividend account. Accordingly, the company has transferred all unclaimed dividend to the Fund in respect of Financial Years upto 31st March 1998.
- f) 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) and forward the same to Company's Registrar and transfer agents i.e. Sharex Dynamic (India) Pvt. Ltd., Unit: Everlon Synthetics Ltd., Unit-1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (E) Mumbai – 400 072. Tel: 2851 5506/2851 5644, Fax No: 2851 2855. The Shareholders holding shares in demat mode can register their e-mail address with their Depository Participant, in the event they have not done so earlier for receiving notices/documents through Electronic mode.

Explanatory Statement pursuant to S. 173 of the Companies Act, 1956

Reappointment of Shri Jitendra K. Vakharia as Managing Director (Item No.4 of Notice)

The present term of appointment of Shri Jitendra K. Vakharia as the Managing Director is valid upto 30th September 2011. The Board of Directors (the Board) of the company at their meeting held on 30th May 2011 have re-appointed him as the Managing Director for a further period of 5 years with effect from 1st October 2011 on following terms and conditions and payment of remuneration:

Salary : The Managing Director shall be paid monthly salary of Rs.40,000/- with yearly increments upto 10% to be decided by the Board of Directors.

Perquisites : The Managing Director shall be entitled to the following perquisites:

- (i) Company shall provide free of cost gas, water, electricity and furnishings at the residence of Managing Director.
- (ii) Medical Reimbursement for self and family subject to ceiling of one month's salary in a year.
- (iii) Leave Travel concession for self and family once in a year.
- (iv) Personal Accident Insurance of an amount the annual premium of which not exceed Rs.5000 p.a.
- (v) Provision of car for use on Company's business (use of car for private purpose shall be billed by the company).
- (vi) Telephone at residence, personal long distance calls shall be billed by the company.
- (vii) Managing Director shall also be entitled to Provident Fund, Superannuation and Gratuity.
- (viii) Reimbursement of all expenses incurred for the business of the company.

Shri Jitendra K. Vakharia is a fit and proper person for the post of Managing Director. The terms and conditions of his appointment are fair and reasonable. It would be in the interest of the company to continue to avail services of Shri Jitendra K. Vakharia as Managing Director. In case of loss or inadequacy of profit in any financial year, the Managing Director be paid above remuneration as minimum remuneration.

The Remuneration Committee of the Company at its meeting held on 30.05.11 has approved above reappointment and payment of remuneration to the Managing Director.

The member's approval is required for the above appointment under Schedule XIII and other applicable provisions of the Companies Act, 1956.

The Board recommends the Special Resolution for approval of members.

Shri Jitendra K. Vakharia, Managing Director is interested as the above appointment pertains to him. Smt Varsha J. Vakharia being relative of Shri Jitendra K. Vakharia is deemed to be concerned or interested in the same.

Place : Mumbai
Dated: 30th May 2011

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 Jitendra K. Vakharia	Smt. Varsha J. Vakharia
B. Date of Birth	10/05/1956	25/08/1958
C. Date of Appointment	19/12/1989	29/10/1999
D. Expertise in specific functional areas	33 years Experience in yarn business	Experience in yarn business
E. Qualifications	B.Sc.	M.A.
F. Name of Companies in which directorship held as on 31st March, 2011	Vakharia Synthetics P.Ltd. Omkar Texolene P.Ltd. Vakharia Financial Services .Ltd. Lasha Inv.& Trading Co.P.Ltd. Everest Yarn Agency Pvt.Ltd. Everlon Power Ltd.	Vakharia Synthetics P.Ltd. Omkar Texolene P.Ltd. Vakharia Financial Services Ltd. Lasha Inv.&Trading Co.P.Ltd. Everest Yarn Agency Pvt.Ltd. Everlon Power Ltd.
G. Chairman/Member of the Committees of the Board of the other companies on which he is a Director as on 31st March 2011.	— NIL —	— NIL —
H. No. of equity shares of Rs.10/- each of the company held as on 31st March 2011	506000	273320
I. Inter-se Relations among Directors	He is related to Smt. Varsha J.Vakharia	She is related to Shri Jitendra K.Vakharia

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 2010-2011, 4 Board Meetings were held on 28th May 2010, 14th August 2010, 12th November 2010 and 12th February 2011.

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, '11) in other companies	No of other Committees Membership	No of other Committees Cheirmanship
1.	Shri Jitendra K. Vakharia Managing Director	ED (P)	4	Yes	6	————	————
2.	Smt. Varsh J. Vakharia	NED (P)	4	Yes	6	————	————
3.	Shri Dinesh P. Turakhia	NED (I)	4	Yes	NIL	————	————
4.	Shri Kamlesh Sanghavi	NED (I)	4	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 2010-2011, 4 meetings of the committee were held as under:-
28th May 2010, 14th August 2010, 12th November 2010 and 12th February 2011.

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

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

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

4. Remuneration of Directors

The remuneration committee of the Board comprises 3 Directors namely, Shri Dinesh P. Turakhia – Chairman, Shri Kamlesh C. Sanghavi – Member and Smt. Varsha J. Vakharia – Member. No meeting of Remuneration Committee was held during the Financial Year, as there was no matter to be dealt with by the Committee.. The terms of reference of the Committee are as specified in Schedule XIII of the Companies Act 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The Managing Directors remuneration details for the financial year 2010-2011 are given below:-

Name	Salary	Commission	Perquisites	Total	Tenure of years
Shri Jitendra K. Vakharia	Rs.240000/- p.a.	————	————	Rs. 240000/- p.a.	2 years from 1/10/2009

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 2011 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

Shri D.P. Turakhia Rs.2000/-. Shri K.C. Sanghavi Rs.2000/- and Smt. Varsha J. Vakharia Rs.2000/-
The number of equity shares of the company held by non-executive Directors as on 31st March 2011 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 17 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 19th March, 2011. The Composition of the Committee is as under:-

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

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

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

The total number of complaints received from the Shareholders were one. All letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were 3 requests for 800 equity shares pending for dematerialisation as on 31st March 2011. The same was completed by 10th April 2011.

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
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.
2007-2008	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	23rd August 2008 at 4 .30 P.M.

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

AGM Date	Matter
(i) 14th August 2010	Nil
(ii) 28th August 2009	Reappointment of Shri Jitendra K. Vakharia as Managing Director for 2 years
(iii) 23rd August 2008	Nil

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

7. Disclosures

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

The Company has complied with most of the requirements of the Listing Agreements with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during last 3 years. Company has complied with most of the applicable mandatory requirements of clause 49 and company has Constituted a Remuneration Committee which is a non-mandatory requirement.

8. Means of Communication

The quarterly results of the Company are published in the following newspapers:

Free Press Journal (English) and Nav Shakti (Marathi).

The results will also be displayed on Company's website at www.everlon.in.

9. General Shareholder Information

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

10. Information on Directors

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

11. Declaration by the Managing Director

Declaration by the Managing Director under clause 49(1) (D)(ii) of the Listing Agreement is given below:-
"Pursuant to Clause 49 (1) (D) (ii) of the listing agreement with the Stock Exchanges, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the year ended 31st March 2011."

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 2011, 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 2011

INFORMATION FOR SHAREHOLDERS**1. Annual General Meeting:-**

Day, Date & Time : Saturday, 13th August 2011, at 11.30 A.M.
Venue: 67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.

2. Financial Year : 1st April 2011 to 31st March 2012**3. Book Closure Dates on account of Annual General Meeting:**

Friday 5th August 2011 to Saturday 13th August 2011 (Both days inclusive)

4. Listing of Shares on Stock Exchange

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

5. STOCK CODES

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

6. Market Price Data

Share prices at Bombay Stock Exchange Ltd., during the year 2010-11 for one equity share of Rs.10/- each are as under:-

Month	SHARE PRICE (RS.)	
	High	Low
April, 2010	13.09	10.50
May, 2010	13.30	10.21
June, 2010	14.33	9.85
July, 2010	14.50	12.35
August, 2010	13.72	12.25
September, 2010	13.50	11.46
October, 2010	13.80	12.00
November, 2010	13.85	12.00
December, 2010	14.20	11.55
January, 2011	13.38	11.24
February, 2011	12.83	10.01
March, 2011	14.51	11.30

7. REGISTRAR AND SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind. Premises, Safed Pool ,
Andheri Kurla Road, Andheri (E),
Mumbai – 400 072.
Tel: 2851 5606/ 2851 5644
Fax: 2851 2885 E-mail : sharexindia@vsnl.com

8. Share Transfer System

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

9. Insider Trading Regulations :

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

10. Distribution of Shareholding as on 31st March 2011

Size of Holdings	No of Holders	% of Holders	No. of Shares	% of Shares
Up to 100	557	19.00	48141	0.95
101 to 200	1430	48.77	285137	5.65
201 to 500	573	19.54	226194	4.48
501 to 1000	201	6.86	161513	3.20
1001 to 5000	126	4.30	297796	5.90
5001 to 10000	12	0.41	81971	1.62
10001 to 100000	18	0.61	612551	12.14
100001 to Above	15	0.51	3332297	66.04
Total	2932	100.00	5045600	100.00%

SHAREHOLDING PATTERN AS ON 31ST MARCH 2011

Category	No. of Shares held	% of Shareholding
Indian Promoters	2773306	54.965
Banks	300	00.006
Private Corporate Bodies	111699	2.214
Indian Public	1692638	33.546
NRI's / OCB's	467657	9.269
Total	5045600	100%

11. Dematerialisation of Shares & liquidity

As at 31st March, 2011, 88.88% 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 22nd Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2011 along with the cash flow statements:

1. OPERATIONS AND FINANCIAL RESULTS

	Year Ended 31/03/2011 (Rs. In Lacs)	Year Ended 31/03/2010 (Rs. in Lacs)
Sales	2620.13	799.30
Other Income	8.59	108.51
Profit / (Loss)/for the year before Depreciation & Tax	120.33	139.81
Less : Depreciation	54.62	39.16
Profit/(Loss) before Tax	65.71	100.65
Less : Provision for Tax	13.00	2.25
Profit after tax	52.71	98.40
Add/(Less): Provision for Diminution in value of Investment	4.45	0.16
Less: Prior Period adjustment	0.00	0.00
Profit/ (loss) for the year	57.16	98.56
Loss Brought forward from previous year	(404.74)	(503.30)
	-----	-----
Profit/ (Loss) carried to Balance Sheet	(347.57)	(404.74)
	=====	=====

2. PERFORMANCE

During the year under review the company has installed 2 additional texturising machines. The company has produced 2649.73 tons against 875.10 tons during the previous year resulting in sales turnover of Rs.2620.13 lacs as against Rs. 799.30 lacs during the previous year.

3. DIVIDEND

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

4. DIRECTORS

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

5. AUDITORS

M/s. Poladia & Co. Chartered Accountant have given their consent for re-appointment for F. Y. 2011-2012. 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 31/03/2011.

- a) In the preparation of annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31/03/2011 and of the profit of the company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

8. AUDITORS REPORT

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

9. CORPORATE GOVERNANCE

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

10. SUBSIDIARY COMPANY

Everlon Power Ltd., has been incorporated on 31st December 2010 as a Wholly Owned Subsidiary of the company for undertaking power/energy business.

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.

11. 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.

12. DEPOSITS

The Company has not accepted any Deposits from the Public.

13. 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
MANAGING DIRECTOR

V. J. VAKHARIA
DIRECTOR

Place : Mumbai
Dated : 30th May 2011

ANNEXURE 1 TO DIRECTOR'S REPORT 2010-2011

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 POWER AND FUEL CONSUMPTION:	2010-2011	2009-2010
1. Electricity		
(a) Purchases Units (Lacs)	32.71	22.16
Total Amounts (Rs. in lacs)	105.06	87.98
Rate per Unit (Rs.)	3.21	3.97
(b) Own Generation:		
Through Diesel Generator		
Units (in lacs)	—	—
Units per Ltr. of Diesel Oil	—	—
Cost per Units (Rs.)	—	—
2. Coa	—	—
3. Furnace Oil	—	—
4. Other / Internal Generation Steam	—	—
b. CONSUMPTION PER UNIT OF PRODUCTION :		
(Product : Polyester Texturised Yarn)		
(Product : Polyester Twisted Yarn)		
1. Electricity (Unit per M.T.)	1235	1212
2. Coal (Kg)	—	—
3. Furnance Oil Liter	—	—
4. Steam (Tons)	—	—

II. TECHNOLOGY ABSORPTION :

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

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

III. FOREIGN EXCHANGE EARNINGS AND OUT GO :

a. Activities relating to exports initiative taken to increase export markets for products and services and export plan.)	NOT APPLICABLE
)	
)	
b. Total Foreign exchange used and earned :		
1. Expenditure in Foreign Currency	Nil	Nil
2. Value of Import on CIF basis (Rs.in Lacs)	11.62	—
3. F.O.B. Value of exports (Rs.in Lacs)	—	0.69

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Outlook

Due to the improved economic growth rate, it is expected that the domestic growth in the textile industry particularly polyester will see enhanced demand. The domestic consumption was strong during the year under review.

B. Opportunities

It is expected that the Polyester Yarn (POY) Production will increase @ 10% during the current year. Hence domestic texturising and weaving capacity is also expected to increase. The company is planning to increase its capacity during the current year.

C. Segment

The Company has only one Reporting Segment namely, Textiles.

D. Risk And Concerns

High inflation and interest rates are matter of concern for all the domestic industry including the textile industry.

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, 2011 were 21.

AUDITORS' REPORT

To,
The Members of
EVERLON SYNTHETICS LIMITED

- 1) We have audited the attached Balance Sheet of EVERLON SYNTHETICS LIMITED as at 31st March, 2011 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
- 3) As required by Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order:-
 - 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the above books of account.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
 - e) In our opinion and as per information and according to the explanations given to us, no Director is disqualified from being appointed as director under clause (g) of subsection (1) of section 274.
 - f) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March 2011.
 - ii) In the case of the Profit and Loss Account, of the Profit of the year ended on that date, and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

— sd —

P.T. POLADIA
PROPRIETOR
M NO.38757

Place: Mumbai.
Dated: 30/05/2011

EVERLON SYNTHETICS LIMITED

ACCOUNTING YEAR ENDED 31ST MARCH, 2011

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.260.45 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 2011, for a period of more than six months from the date they became payable.

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

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

Place : Mumbai
 Dated: 30/05/2011

EVERLON SYNTHETICS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

Sch	As on 31st March, 2011 Rupees	As on 31st March, 2010 Rupees
SOURCES OF FUNDS:		
SHAREHOLDER'S FUNDS:		
Capital	A 50487000	50487000
Reserves & Surplus	B 18877449	18877449
	69364449	69364449
LOAN FUNDS:		
Secured Loans	C 14497309	0
Unsecured Loans	D 25410000	25726430
TOTAL FUNDS EMPLOYED	109271758	95090879
APPLICATION OF FUNDS:		
FIXED ASSETS		
Gross Block	E 71269321	56940821
Less: Depreciation	30329313	29471676
NET BLOCK	40940008	27469145
INVESTMENTS:	F 621505	687163
CURRENT ASSETS, LOANS & ADVANCES :		
Inventories	27557939	9699982
Sundry Debtors	27103768	17384944
Cash & Bank Balances	3023954	2897697
Loans & Advances	3977389	3321225
	61663050	33303848
LESS : CURRENT LIABILITIES & PROVISIONS :	H 28710081	6842814
NET CURRENT ASSETS	32952969	26461034
PROFIT & LOSS ACCOUNT	34757276	40473537
TOTAL APPLICATION OF FUNDS	109271758	95090879
Notes forming part of the Accounts Accounting Policies	N	

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 : 30/05/2011

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

J. K. Vakharia
Managing Director
 — sd —

V. J. Vakharia
Director

**EVERLON SYNTHETICS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.**

Sch	As on 31st March, 2011 Rupees	As on 31st March, 2010 Rupees
Sales & Services	262013343	79930033
Other Income	I 859556	10851178
Increase /(Decrease) In Stock	J 12909902 275782801	(2005610) 88775601
Expenditure :		
Manufacturing Expenses Sales/Administration &	K 254937346	69443797
Other Expenses	L 4610853	1511485
Interest	M 4201449	3839039
	263749648	74794321
Net Profit/Loss before Exceptional Income, Depreciation & Tax	12033153	13981280
(Less) : Depreciation	(5462429)	(3916153)
Profit/(Loss) before tax	6570724	10065127
(Less) :Provision for current tax	(1300000)	(225000)
Profit/(Loss) after tax	5270724	9840127
Add/(Less):Prior Period Adjustments	0	(476)
Add/(Less):Provision for		
Dim.in Value of Investment W/Back	445537	16043
Profit/(Loss) for the year	5716261	9855694
Profit/(Loss) brought forward		
from previous year	(40473537)	(50329231)
Profit/(Loss) C/F to Balance Sheet	(34757276)	(40473537)
Notes forming part of the Accounts,		
Accounting Policies	N	

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 : 30/05/2011

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

J. K. Vakharia
Managing Director
—sd—

V. J. Vakharia
Director

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	2010-2011 (Rs.)	2009-2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before Tax and Extraordinary items	6570724	1006512
Adjustment for :		
Depreciation	5462429	3916153
(Profit) / Loss on Sale of Assets (Net)	74965	(9931789)
Dividend Received	(48802)	(27307)
Interest Paid	4201449	3839039
(Profit)/Loss on sale of Investments (Net)	0	0
(Profit)/Loss on sale of Shares (Net)	(602859)	(470871)
Operating profit before working capital charges	15657906	7390352
Adjustment for :		
Trade and Other Receivables	(10374988)	914097
Inventories	(17857957)	(1700833)
Trade Payable	20567267	(14018101)
NET CASH USED FROM OPERATING ACTIVITIES	7992228	(7414485)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(19338257)	(704588)
Sale of Fixed Assets	404965	1306711
(Increase)/Decrease in Investments	65657	(16043)
Dividend Received	48802	27307
Exceptional Income	445538	16043
Profit/ (Loss) on sale of Assets (Net)	(74965)	9931789
Profit/ (Loss) on sale of Investment (Net)	0	0
Profit/ (Loss) on sale of Shares (Net)	602859	470871
NET CASH USED FROM INVESTING ACTIVITIES	(17845401)	11032090
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Secured Loans	14497309	0
Proceeds from Short Term Loans	(316430)	329289
Interest Paid	(4201449)	(3839039)
NET CASH FROM INVESTING ACTIVITIES	9979430	(3509750)
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	126257	107855
CASH & CASH EQUIVALENTS :-		
Opening Balance in the begning of the year	2897697	2789842
Closing Balance at the end of the year	3023954	2897697
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	126257	107855

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 : 30/05/2011

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 2011.

SCHEDULES FORMING PART OF BALANCE SHEET	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE - 'A'		
SHARE CAPITAL		
AUTHORISED:		
60,00,000 Equity Shares of Rs.10/- each (Previous year 60,00,000 equity shares of Rs.10/- each)	60000000	60000000
	<u>60000000</u>	<u>60000000</u>
ISSUED		
50,50,800 Equity Shares of Rs.10/- each (Previous year 50,50,800 Equity Shares of Rs.10/- each	50508000	50508000
	<u>50508000</u>	<u>50508000</u>
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
	<u>50487000</u>	<u>5048700</u>
TOTAL	<u>50487000</u>	<u>5048700</u>
SCHEDULE - 'B'		
RESERVE AND SURPLUS:		
Capital Reserve	18877449	18877449
Balance as per last Balance Sheet		
Add : Addition during the year	0	0
	<u>18877449</u>	<u>18877449</u>
TOTAL	<u>18877449</u>	<u>18877449</u>
SCHEDULE - 'C'		
SECURED LOANS		
Cash Credit facility from a Scheduled Bank (Secured by way of hypothecation of Stock, Book Debts & further secured by mortgage of factory Land & Bldg)	14497309	0
	<u>14497309</u>	<u>0</u>
TOTAL	<u>14497309</u>	<u>0</u>
SCHEDULE - 'D'		
UNSECURED LOANS:		
Loans received from a Pvt.Ltd Company	25410000	15980000
Overdraft facility from Bank (Secured by Pledge of Fixed Deposits of the Company & Directors)	0	9746430
	<u>25410000</u>	<u>25726430</u>
TOTAL	<u>25410000</u>	<u>25726430</u>

EVERLON SYNTHETICS LIMITED
ACCOUNTING YEAR ENDED : 31ST MARCH, 2011.

SCHEDULE 'E'
FIXED ASSETS:

Sr. No.	Particulars	← GROSS BLOCK →				← DEPRECIATION →				← NET BLOCK →	
		Balance on 01.04.2010	Addition	Dedu.	Total 31.03.11	Balance 01.04.2010	Dep. For the year	Dedu.	Total 31.03.11	As on 31.03.11	As on 31.03.10
1	Land	2078580	0	0	2078580	0	0	0	0	2078580	2078580
2	Buildings	14014715	1124823	0	15139538	8001205	696253	0	8697458	6442080	6013510
3	Plant & Machinery	35029615	1786659	5009757	47886817	18271897	4404291	4604792	18071396	29815421	16757718
4	Electrical Install.	4051270	175035	0	4226305	2305033	186626	0	2491659	1734646	1746237
5	Testing Equipments	170710	0	0	170710	167141	535	0	167676	3034	3569
6	Vehicle	647948	49775	0	697723	69444	90509	0	159953	537770	578504
7	Furniture & Fixture	399717	49880	0	449597	171150	27058	0	198208	251389	228567
8	Computer	485940	71785	0	557725	451439	52963	0	504402	53323	34501
9	Office Equipments	62326	0	0	62326	34367	4194	0	38561	23765	27959
	Total Rs.	56940821	19338257	5009757	71269321	29471676	5462429	4604792	30329313	40940008	27469145
	Previous Year Total	67650697	704588	11414464	56940821	35663276	3916153	10107753	29471676	27469145	31987421

ACCOUNTING YEAR ENDED 31ST MARCH 2011.

SCHEDULES FORMING PART OF BALANCE SHEET		2010-2011 Rupees	2009-2010 Rupees
SCHEDULE 'F'			
INVESTMENTS			
QUOTED INVESTMENTS:(LONG TERM)			
Paid up Name		31/03/2011	31/03/2010
Value per	No.of	Amount	Amount
Share/Deb.	Shares	(Rs.)	(Rs.)
(A) Equity Shares			
10 BUBNA MAJOR BIOTECH LTD.	3900	39000.00	3900 39000.00
10 BETA NAPHTHOL LTD	0	0.00	3400 0.00
10 JAIN SPINNERS LTD.	0	0.00	3300 51950.00
10 MAXWORTH COUNTRY (I) LTD.	0	0.00	3600 36000.00
10 MIDEAST INT.STEELS LTD.	4000	80000.00	4000 80000.00
10 MIDPOINT SOFTWARE SYSTEM LTD	0	0.00	200 2000.00
10 MUKERIAN PAPERS LTD.	0	0.00	100 1750.00
10 NEPC TEXTILES LTD.	0	0.00	754 14000.00
10 PARASARAMPURIA SYNTH. LTD.	0	0.00	10000 50000.00
10 SANGHI POLYESTER LTD.	13200	1115400.00	13200 1115400.00
10 SHREE SYNTHETICS LTD.	0	0.00	20 5010.00
10 SWISS JERSY LTD.	0	0.00	4400 44000.00
10 UNIMODE OVERSEAS LTD.	0	0.00	1300 13000.00
10 VENTRON POLYMERS LTD.	0	0.00	15200 152000.00
10 WESTERN INDIA IND.LTD.	0	0.00	1500 90000.00
10 YULE FINANCE & LEASING LTD.	2700	27000.00	2700 27000.00
TOTAL (A)		1261400.00	1721110.00
Provision for diminution in value of shares		(1238410.00)	(1683947.50)
Market value of shares		22990.00	37162.50
(B) INVESTMENT IN SUBSIDIARY COMPANY			
Everlon Power Ltd (UNQUOTED)		500000.00	0.00
(50000 Equity Shares of Rs.10/- each)			
TOTAL (B)		500000.00	0.00
(C) OTHERS INVESTMENT (UNQUOTED)			
Omsai Exports P.Ltd.		0.00	650000.00
Janata Sahakari Bank Ltd.Pune		98515.00	0.00
TOTAL (C)		98515.00	650000.00
GRAND TOTAL :- (A + B + C)		621505.00	687162.50
Total Cost of Quoted Investment		1261400.00	1721110.00
Total Cost of Unquoted Investment		598515.00	650000.00
Market Value of Quoted Investment		22990.00	37162.00

ACCOUNTING YEAR ENDED 31ST MARCH 2011.

SCHEDULES FORMING PART OF BALANCE SHEET		2010-2011 Rupees	2009-2010 Rupees
SCHEDULE 'G'			
A. CURRENT ASSETS, LOANS & ADVANCES			
1 INVENTORIES:		2010-2011	2009-2010
(As valued, taken and certified by the management)		Rupees	Rupees
Raw Materials		6247620	2266641
Consumable Stores & Spares		871005	800218
Stock in Process		4110257	1392570
Finished Goods		11028101	835886
Stock of shares		5300956	4404667
		27557939	9699982
2 SUNDRY DEBTORS:			
(Unsecured considered goods)			
Outstanding for more than six months		9549944	5701722
Others		17553824	11683222
		27103768	17384944
3 CASH AND BANK BALANCES:			
Cash on Hand		113626	65780
Current account with Scheduled Banks		201622	123211
In Deposits with Scheduled Banks		2708706	2708706
TOTAL		3023954	2897697
B. LOANS AND ADVANCES:			
(Unsecured,considered goods unless stated otherwise)			
1. Interest Accrued But Not Due		84152	48452
2. Advances Recoverable in cash or in kind or value to be received		2725983	2933356
3. Taxes Paid in Advance		972456	124618
4. Other Deposits		194798	214799
TOTAL		3977389	3321225
SCHEDULE 'H'			
CURRENT LIABILITIES AND PROVISIONS:			
CURRENT LIABILITIES:			
Sundry Creditors			
1. Due to Micro,Small & Medium Enterprise.		0	0
2. Others		20322798	3674185
Advances Received from Customers		4800000	1300000
<u>Other Liabilities & Provisions</u>			
Provision for Taxes		1615000	315000
Statutory Liabilities		45856	28577
Other Liabilities		1926427	1525052
		3587283	1868629
TOTAL		28710081	6842814

SCHEDULES FORMING PART OF BALANCE SHEET	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE 'I' OTHER INCOME:		
Interest	195343	231995
Miscellaneous Income	10255	40655
Sundry Bal. W/off	1700	0
Profit on sale of Shares	603456	603548
Share Trading Profit	0	15884
Profit on sale of Assets	0	9931789
Dividend recd	48802	27307
	<u>859556</u>	<u>10851178</u>
SCHEDULE 'J' INCREASE/(DECREASE) IN STOCKS:		
OPENING STOCK		
Stock in Process	1392570	938063
Finished Goods	835886	3296003
	<u>2228456</u>	<u>4234066</u>
LESS:CLOSING STOCK		
Stock in Process	4110257	1392570
Finished Goods	11028101	835886
	<u>15138358</u>	<u>2228456</u>
TOTAL	<u>12909902</u>	<u>(2005610)</u>
SCHEDULE 'K' MANUFACTURING EXPENSES:		
MATERIAL CONSUMED (YARN)		
Opening Stock	2266641	1937616
Add: Purchases	<u>228223087</u>	<u>59801037</u>
	230489728	61738653
Less: Closing Stock	6247620	2266641
Total (A)	<u>224242108</u>	<u>59472012</u>
CONSUMABLES, STORES AND SPARES		
Opening Stock	522326	292185
Add: Purchases	<u>15952274</u>	<u>4384401</u>
	16474600	4676586
Less: Closing Stock	687819	522326
Total (B)	<u>15786781</u>	<u>4154260</u>
FACTORY OVERHEADS		
Factory Wages & Allowances	1324136	565676
Power & Fuel	10505921	3935842
Security Charges	366105	161308
Freight & Transport Charges	273725	279463
Job Work Charges Paid	490370	210299
Packing Charges/Loading & Unloading	670935	227005
Repairs & Maintenance	1277265	437932
Total (C)	<u>14908457</u>	<u>5817525</u>
GRAND TOTAL (A+B+C)	<u>254937346</u>	<u>69443797</u>

SCHEDULE FORMING PART OF PROFIT & LOSS A/C	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE 'L' SALES ADMINISTRATION & OTHER EXPENSES:		
OFFICE & ADMINISTRATION EXPENSES		
Salaries and Allowances	432154	177541
Provident Fund	109701	119569
Legal & Professional Charges	484351	66998
Conveyance & Travelling Expenses	156080	8847
Staff Welfare Expenses	112781	41814
Postage,Telegram & Telephone Charges	212598	76257
Vehicle Expenses	195448	53285
Filing & Registration Charges	1000	2500
Printing and Stationery	66336	21302
Miscellaneous Expenses	554593	174469
Auditor's Remuneration	65000	50000
Managing Director Remuneration	240000	240000
Director Sitting Fees	6000	8500
Insurance Charges	102067	62832
Bank Charges & Commission	261444	75721
Share Investment W/off	1107710	0
Gratuity Paid	67237	54722
Loss on sale of shares	597	148617
Loss on sale of Assets	74965	0
TOTAL (A)	<u>4250062</u>	<u>1382974</u>
SALES AND DISTRIBUTION EXPENSES:		
Commission	360791	128511
TOTAL (B)	<u>360791</u>	<u>128511</u>
TOTAL (A + B)	<u>4610853</u>	<u>1511485</u>
SCHEDULE 'M' INTEREST		
Interest (Others)	2993775	2641622
Bank Interest	1207674	1197417
	<u>4201449</u>	<u>3839039</u>

SCHEDULE 'N'

NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES:

01. ACCOUNTING POLICIES:

a) Recognition of Income and Expenditure:

The Accounts are prepared on accrual basis.

b) Fixed Assets and Depreciation:

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

1. Computer 60%

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

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

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

c) Investments:

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

d) Valuation of Inventories:

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

e) Impairment of Assets:

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

f) Provision for Retirement Benefits:

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

g) Contingent Liabilities:

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

02. Segement Results

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

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

1. Related Party Relationships

- (a) Where control exists Everest Yarn Agency Pvt.Ltd
- (b) 100% Subsidiary Everlon Power 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. 2010-11	2010-11 Outstanding		Volume of Trans. 2009-10	2009-10 Outstanding	
			Receivable	Payable		Receivable	Payable
			Where Control Exists	Loans		240.25	—
	Director's Remuneration and Sitting Fees	2.46	—	—	2.48	—	—
100% Subsidiary	Investment in Share Capital	5.00	—	—	—	—	—

04. Earning per share

	Year Ended March 2011	Year Ended March 2010
Profit / (Loss) attributable to the equity shareholders (Rs.in Lacs)	57.16	98.56
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)	1.13	1.95
Basic/diluted earnings per share (Rs.) (without exceptional Income)	1.13	1.95

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 2011 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	0.95
2.	Central Excise (Central Excise 1944)	Commissioner of Central Excise (adjudication)	444.45

07. Break up of Repairs and Maintenance :	31/03/2011	31/03/2010
For Plant and Machineries	823832	307896
For Others	453433	130036
	<u>1277265</u>	<u>437932</u>
	=====	=====

08. Auditors Remuneration is Rs.95000/- (Previous year Rs.70000/-) included in Profit and Loss Account is made up of:	31/03/2011	31/03/2010
Audit Fees	65000	40000
Tax Audit Fees	10000	10000
Certification Work	10000	10000
Taxation Matters	10000	10000
	<u>95000</u>	<u>70000</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. 445.40 Lacs (Previous Year Rs.445.40 Lacs)

11. There are no Micro, Small and Medium Enterprises, as defined in Micro, Small, Medium Enterprises Development Act, 2006 to whom the Company owes on account of principal amount together with interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extentsuch parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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

A) Licensed & Installed Capacity

**I) Licensed Capacity :
Dadra Unit**

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

**II) Installed Capacity :
Dadra Unit**

I) Four Draw Texturising Machine of 312 spindles each, (Previous Year Two Draw Texturising Machines of 312 spindles each) having a capacity of 4080 tons per annum.

II) In the Current year there are nil twisting machine (Previous Year four twisting machines) having a capacity of 80 Denier/300 TPM – 240 tons per annum.

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

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

Item	Unit	< ————— 2010-2011 ————— >		< ——— 2009-2010 ——— >	
		Quantity	Value (Rs)	Quantity	Value (Rs)
Polyester Filament Yarn (PTY)					
Yarn	Kgs	2549570.686	224242108	823337.310	59472012
		<u>2549570.686</u>	<u>224242108</u>	<u>823337.310</u>	<u>59472012</u>

C) Turnover and Stock

	Unit	< ————— 2010-2011 ————— >		< ——— 2009-2010 ——— >	
		Quantity	Value (Rs)	Quantity	Value (Rs)
Sales(Net)	Kgs	2561500.931	262013343	908213.817	77230033
		<u>2561500.931</u>	<u>262013343</u>	<u>908213.817</u>	<u>77230033</u>

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

	< 2010-2011 >			< 2009-2010 >	
	Unit	Quantity	Value (Rs)	Quantity	Value (Rs)
Polyester Texturised Twisted Yarn	Kgs	9596.918	835886	42706.980	3296003
		<u>9596.918</u>	<u>835886</u>	<u>42706.980</u>	<u>3296003</u>

Closing Stock of Finished Goods:
Class of Goods
Own Manufactured

	< 2010-2011 >			< 2009-2010 >	
	Unit	Quantity	Value (Rs)	Quantity	Value (Rs)
Polyester Texturised Twisted Yarn	Kgs	97474.894	11028101	9596.918	835886
		<u>97474.894</u>	<u>11028101</u>	<u>9596.918</u>	<u>835886</u>

D	Production	Unit	2010-2011	2009-2010
			Quantity	Quantity
	Class of Goods	Kgs	2649378.907	875103.755
	Own Manufactured			
	Polyester Texturised / Twisted Fancy Yarn			
			2010-2011 (Rupees) (in lacs)	2009-2010 (Rupees) (in lacs)
	Value of Import on CIF Basis		11.62	0.00
	F.O.B. Value of Exports		NIL	0.69
	Expenditure, Earning and remittance in foreign Currency		NIL	NIL
	Estimated amount of contracts remains to be executed on capital account and not provided for		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.

15. The information required under PART-IV of schedule VI of Companies Act, 1956 (As certified by the management) to the extent applicable are as under:

Balance sheet Abstract and company's Business Profile

Registration Details:		
I	Registration No. 11/52747	State Code: 11
	Balance Sheet Date: 31/03/2011	
II	Capital raised during the year (Amount in Rs.Thousands)	
	Public Issue: NIL	Right Issue : NIL
	Bonus Issue: NIL	Private Placement : NIL
III	Position of Mobilisation and Deployment of funds (Amount Rs. in Thousands)	
	Total Liabilities	: 109272
	Sources of Funds	Total Assets : 109272
	Paid up Capital	: 50487
	Secured Loans	: 14497
	Application of funds	Reserves & Surplus : 18877
	Net Fixed Assets	: 40940
	Net Current Assets	: 32953
	Accumulated Losses	: 34757
	Investment	: 621
IV.	Performance of Company (Amount Rs. in Thousands)	
	Sales & Other Income	: 275783
	Before Tax	: 6571
	Earning per share	: 1.13
	Total Expenditure	: 263750
	After Tax	: 5716
	Dividend Rate	: Nil
V	Generic Names of Principal Products (as per monetary terms)	
	Item Code No. 540202 (ITC Code)	
	Product Description Polyester Texturised Yarn and Polyester Twisted Yarn	

SIGNATURE TO SCHEDULE 'A' TO 'N'

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 : 30/05/2011

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 Everlon Power Limited as at 31st March, 2011 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 provides a reasonable basis of our opinion.

- 1) Financial statements of one subsidiary which reflects total Assets of Rs.5.00 lacs as at 31st March 2011, 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 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 2011
 - 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: 30/05/2011

EVERLON SYNTHETICS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

Sch	As on 31st March, 2011 Rupees	As on 31st March, 2010 Rupees
SOURCES OF FUNDS:		
SHAREHOLDER'S FUNDS:		
Capital	A 50487000	50487000
Reserves & Surplus	B 18877449	18877449
	69364449	69364449
LOAN FUNDS:		
Secured Loans	C 14497309	0
Unsecured Loans	D 25410000	25726430
	109271758	95090879
TOTAL FUNDS EMPLOYED		
APPLICATION OF FUNDS:		
FIXED ASSETS		
Gross Block	E 71269321	56940821
Less:Depreciation	30329313	29471676
NET BLOCK	40940008	27469145
INVESTMENTS:		
	F 121505	687163
CURRENT ASSETS, LOANS & ADVANCES :		
Inventories	27557939	9699982
Sundry Debtors	27103768	17384944
Cash & Bank Balances	3056169	2897697
Loans & Advances	3977389	3321225
	61695265	33303848
LESS : CURRENT LIABILITIES & PROVISIONS :		
	H 28710081	6842814
NET CURRENT ASSETS	32985184	26461034
PROFIT & LOSS ACCOUNT	34757276	40473537
PRELIMINARY & PREOPERATION ACCOUNT	467785	0
	109271758	95090879
TOTAL APPLICATION OF FUNDS		
Notes forming part of the Accounts Accounting Policies	N	

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 : 30/05/2011

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 ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

	Sch	As on 31st March, 2011 Rupees	As on 31st March, 2010 Rupees
Sales & Services		262013343	79930033
Other Income	I	859556	10851178
Increase /(Decrease) In Stock	J	12909902	(2005610)
		<u>275782801</u>	<u>88775601</u>
Expenditure :			
Manufacturing Expenses Sales/Administration &	K	254937346	69443797
Other Expenses	L	4610853	1511485
Interest	M	4201449	3839039
		<u>263749648</u>	<u>74794321</u>
Net Profit/Loss before Exceptional			
Income, Depreciation & Tax		12033153	13981280
(Less) : Depreciation		(5462429)	(3916153)
Profit/(Loss) before tax		<u>6570724</u>	<u>10065127</u>
(Less) :Provision for current tax		(1300000)	(225000)
Profit/(Loss) after tax		<u>5270724</u>	<u>9840127</u>
Add/(Less):Prior Period Adjustments		0	(476)
Add/(Less):Provision for			
Dim.in Value of Investment W/Back		445537	16043
Profit/(Loss) for the year		<u>5716261</u>	<u>9855694</u>
Profit/(Loss) brought forward from previous year		(40473537)	(50329231)
Profit/(Loss) C/F to Balance Sheet		<u>(34757276)</u>	<u>(40473537)</u>
Notes forming part of the Accounts, Accounting Policies	N		

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 : 30/05/2011

For and on behalf of the
Board of Directors

— Sd —

J. K. Vakharia
Managing Director

— Sd —

V. J. Vakharia
Director

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

	2010-2011 (Rs.)	2009-2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before Tax and Extraordinary items	6570724	10065127
Adjustment for :		
Depreciation	5462429	3916153
(Profit) / Loss on Sale of Assets (Net)	74965	(9931789)
Dividend Received	(48802)	(27307)
Interest Paid	4201449	3839039
(Profit)/Loss on sale of Investments (Net)	0	0
(Profit)/Loss on sale of Shares (Net)	(602859)	(470871)
Operating profit before working capital charges	<u>15657906</u>	<u>7390352</u>
Adjustment for :		
Trade and Other Receivables	(10374988)	914097
Inventories	(17857957)	(1700833)
Trade Payable	20567267	(14018101)
NET CASH USED FROM OPERATING ACTIVITIES	<u>7992228</u>	<u>(7414485)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(19338257)	(704588)
Sale of Fixed Assets	404965	1306711
(Increase)/Decrease in Investments	65717	(16043)
Dividend Received	48802	27307
Exceptional Income	445538	16043
Profit/ (Loss) on sale of Assets (Net)	(74965)	9931789
Profit/ (Loss) on sale of Investment (Net)	0	0
Profit/ (Loss) on sale of Shares (Net)	602859	470871
NET CASH USED FROM INVESTING ACTIVITIES	<u>(17845341)</u>	<u>11032090</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Secured Loans	14497309	0
Proceeds from Short Term Loans	(316430)	329289
Interest Paid	(4201449)	(3839039)
NET CASH FROM INVESTING ACTIVITIES	<u>9979430</u>	<u>(3509750)</u>
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	<u>126317</u>	<u>107855</u>
CASH & CASH EQUIVALENTS :-		
Opening Balance in the begning of the year	2897697	2789842
Closing Balance at the end of the year	3024014	2897697
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	<u>126317</u>	<u>107855</u>

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

— Sd —
P.T. POLADIA
(PROPRIETOR)
Membership No. 38757

Place: Mumbai
Date : 30/05/2011

For and on behalf of the
Board of Directors

— Sd —

J. K. Vakharia
Managing Director

— Sd —

V. J. Vakharia
Director

EVERLON SYNTHETICS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011.

SCHEDULE ' E '
FIXED ASSETS:

Sr. No.	Particulars	← GROSS BLOCK →				← DEPRECIATION →				← NET BLOCK →	
		Balance on 01.04.2010	Addition	Dedu.	Total 31.03.11	Balance 01.04.2010	Dep. For the year	Dedu.	Total 31.03.11	As on 31.03.11	As on 31.03.10
1	Land	2078580	0	0	2078580	0	0	0	0	2078580	2078580
2	Buildings	14014715	1124823	0	15139538	8001205	696253	0	8697458	6442080	6013510
3	Plant & Machinery	35029615	1786659	5009757	47886817	18271897	4404291	4604792	18071396	29815421	16757718
4	Electrical Install.	4051270	175035	0	4226305	2305033	186626	0	2491659	1734646	1746237
5	Testing Equipments	170710	0	0	170710	167141	535	0	167676	3034	3569
6	Vehicle	647948	49775	0	697723	69444	90509	0	159953	53770	578504
7	Furniture & Fixture	399717	49880	0	449597	171150	27058	0	198208	251389	228567
8	Computer	485940	71785	0	557725	451439	52963	0	504402	53323	34501
9	Office Equipments	62326	0	0	62326	34367	4194	0	38561	23765	27959
	Total Rs.	56940821	19338257	5009757	71269321	29471676	5462429	4604792	30329313	40940008	27469145
	Previous Year Total	67650697	704588	11414464	56940821	35663276	3916153	10107753	29471676	27469145	31987421

ACCOUNTING YEAR ENDED 31ST MARCH 2011.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE - 'A' SHARE CAPITAL		
AUTHORISED: 60,00,000 Equity Shares of Rs.10/- each (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
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 Add:Paid up value of Shares Forfeited (5200 Equity Shares of Rs.10/- each)	50456000	50456000
TOTAL	<u>50487000</u>	<u>50487000</u>
SCHEDULE - 'B' RESERVE AND SURPLUS: Capital Reserve Balance as per last Balance Sheet Add : Addition during the year	18877449	18877449
TOTAL	<u>18877449</u>	<u>18877449</u>
SCHEDULE - 'C' SECURED LOANS Cash Credit facility from Schedule Bank (Secured by way of hypothecation of Stock, Book Debts & further secured by mortgage of factory Land & Bldg)	14497309	0
TOTAL	<u>14497309</u>	<u>0</u>
SCHEDULE - 'D' UNSECURED LOANS: Loans received from a Pvt.Ltd Company Overdraft facility from Bank (Secured by Pledge of Fixed Deposits of the Company & Directors)	25410000	15980000
	0	9746430
TOTAL	<u>25410000</u>	<u>25726430</u>

**SCHEDULE 'F'
INVESTMENTS**

QUOTED INVESTMENTS:(LONG TERM)

Paid up Value per Share/Deb.	Name	No.of Shares	31/03/2011 Amount (Rs.)	No.of Shares	31/03/2010 Amount (Rs.)
(A)	Equity Shares				
10	BUBNA MAJOR BIOTECH LTD.	3900	39000.00	3900	39000.00
10	BETA NAPHTHOL LTD	0	0.00	3400	0.00
10	JAIN SPINNERS LTD.	0	0.00	3300	51950.00
10	MAXWORTH COUNTRY (I) LTD.	0	0.00	3600	36000.00
10	MIDEAST INT.STEELS LTD.	4000	80000.00	4000	80000.00
10	MIDPOINT SOFTWARE SYSTEM LTD	0	0.00	200	2000.00
10	MUKERIAN PAPERS LTD.	0	0.00	100	1750.00
10	NEPC TEXTILES LTD.	0	0.00	754	14000.00
10	PARASARAMPURIA SYNTH.LTD.	0	0.00	10000	50000.00
10	SANGHI POLYESTER LTD.	13200	1115400.00	13200	1115400.00
10	SHREE SYNTHETICS LTD.	0	0.00	20	5010.00
10	SWISS JERSEY LTD.	0	0.00	4400	44000.00
10	UNIMODE OVERSEAS LTD.	0	0.00	1300	13000.00
10	VENTRON POLYMERS LTD.	0	0.00	15200	152000.00
10	WESTERN INDIA IND.LTD.	0	0.00	1500	90000.00
10	YULE FINANCE & LEASING LTD.	2700	27000.00	2700	27000.00
	TOTAL (A)		1261400.00		1721110.00
	Provision for diminution in value of shares		(1238410.50)		(1683947.50)
	Market value of shares		22989.50		37162.50
(B)	OTHERS INVESTMENT (UNQUOTED)				
	Omsai Exports P.Ltd.		0.00		650000.00
	Janata Sahakari Bank Ltd.Pune		98515.00		0.00
	TOTAL (B)		98515.00		650000.00
	GRAND TOTAL :- (A + B)		121504.50		687162.50
	Total Cost of Quoted Investment		1261400.00		1721110.00
	Total Cost of Unquoted Investment		98515.00		650000.00
	Market Value of Quoted Investment		22989.50		37162.50

SCHEDULE 'G'

A. CURRENT ASSETS, LOANS & ADVANCES

	2010-2011 Rupees	2009-2010 Rupees
1 INVENTORIES: (As valued, taken and certified by the management)		
Raw Materials	6247620	2266641
Consumable Stores & Spares	871005	800218
Stock in Process	4110257	1392570
Finished Goods	11028101	835886
Stock of shares	5300956	4404667
	27557939	9699982
2 SUNDRY DEBTORS: (Unsecured considered goods)		
Outstanding for more than six months	9549944	5701722
Others	17553824	11683222
	27103768	17384944
3 CASH AND BANK BALANCES:		
Cash on Hand	121732	65780
Current account with Scheduled Banks	225731	123211
In Deposits with Scheduled Banks	2708706	2708706
	3056169	2897697
B. LOANS AND ADVANCES: (Unsecured,considered goods unless stated otherwise)		
1. Interest Accrued But Not Due	84152	48452
2. Advances Recoverable in cash or in kind or value to be received	2725983	2933356
3. Taxes Paid in Advance	972456	124618
4. Other Deposits	194799	214799
	3977390	3321225
SCHEDULE 'H' CURRENT LIABILITIES AND PROVISIONS:		
CURRENT LIABILITIES:		
Sundry Creditors		
1.Due to Micro,Small & Medium Enterprise.	0	0
2.Others	20322798	3674185
	20322798	3674185
Advances Received from Customers	4800000	1300000
<u>Other Liabilities & Provisions</u>		
Provision for Taxes	1615000	315000
Statutory Liabilities	45856	28577
Other Liabilities	1926427	1525052
	3587283	1868629
TOTAL	28710081	6842814

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS A/C	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE 'I'		
OTHER INCOME:		
Interest	195343	231995
Miscellaneous Income	10255	40655
Sundry Bal. W/off	1700	0
Profit on sale of Shares	603456	603548
Share Trading Profit (Speculation)	0	15884
Profit on sale of Assets	0	9931789
Dividend recd	48802	27307
	<u>859556</u>	<u>10851178</u>
SCHEDULE 'J'		
INCREASE/(DECREASE) IN STOCKS:		
OPENING STOCK		
Stock in Process	1392570	938063
Finished Goods	835886	3296003
	<u>2228456</u>	<u>4234066</u>
LESS:CLOSING STOCK		
Stock in Process	4110257	1392570
Finished Goods	11028101	835886
	<u>15138358</u>	<u>2228456</u>
TOTAL	<u>12909902</u>	<u>(2005610)</u>
SCHEDULE 'K'		
MANUFACTURING EXPENSES:		
MATERIAL CONSUMED (YARN)		
Opening Stock	2266641	1937616
Add: Purchases	228223087	59801037
	<u>230489728</u>	<u>61738653</u>
Less: Closing Stock	6247620	2266641
Total (A)	<u>224242108</u>	<u>59472012</u>
CONSUMABLES, STORES AND SPARES		
Opening Stock	522326	292185
Add: Purchases	15952274	4384401
	<u>16474600</u>	<u>4676586</u>
Less: Closing Stock	687819	522326
Total (B)	<u>15786781</u>	<u>4154260</u>
FACTORY OVERHEADS		
Factory Wages & Allowances	1324136	565676
Power & Fuel	10505921	3935842
Security Charges	366105	161308
Freight & Transport Charges	273725	279463
Job Work Charges Paid	490370	210299
Packing Charges/Loading & Unloading	670935	227005
Repairs & Maintenance	1277265	437932
Total (C)	<u>14908457</u>	<u>5817525</u>
GRAND TOTAL (A+B+C)	<u>254937346</u>	<u>69443797</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS A/C	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE 'L'		
SALES ADMINISTRATION & OTHER EXPENSES:		
OFFICE & ADMINISTRATION EXPENSES		
Salaries and Allowances	434654	177541
Provident Fund	109701	119569
Legal & Professional Charges	484351	66998
Conveyance & Travelling Expenses	156080	8847
Staff Welfare Expenses	112781	41814
Postage,Telegram & Telephone Charges	212598	76257
Vehicle Expenses	195448	53285
Filing & Registration Charges	1000	2500
Printing and Stationery	66336	21302
Miscellaneous Expenses	552093	174469
Auditor's Remuneration	65000	50000
Managing Director Remuneration	240000	240000
Director Sitting Fees	6000	8500
Insurance Charges	102067	62832
Bank Charges & Commission	261444	75721
Share Investment W/off	1107710	0
Gratuity Paid	67237	54722
Loss on sale of shares	597	148617
Loss on sale of Assets	74965	0
TOTAL (A)	<u>4250062</u>	<u>1382974</u>
SALES AND DISTRIBUTION EXPENSES:		
Commission	360791	128511
TOTAL (B)	<u>360791</u>	<u>128511</u>
TOTAL (A + B)	<u>4610853</u>	<u>1511485</u>
SCHEDULE 'M'		
INTEREST		
Interest (Others)	2993775	2641622
Bank Interest	1207674	1197417
	<u>4201449</u>	<u>3839039</u>

SCHEDULE 'N'

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 31st March,2011	As on 31st March, 2010
1.	Everlon Power Ltd.	100%	N.A.

c) Recognition of Income & Expenditure

The Accounts are prepared on an accrual basis.

d) Fixed Assets and Depreciation :

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

1. Computer	60%
and in case of following assets, depreciation rates are lower than minimum prescribed rates:-	
1. Furniture	10%
2. Vehicles	15%
3. Plant & Machinery	15%
4. Electrical Installation	10%
5. Air Conditioning	15%
6. Testing Equipment	15%
7. Office Equipment	15%

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

iv) 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 is provided for in accounts.

f) Valuation of Inventories

- 1) Raw Materials, Consumables : 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

g) 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 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.

[50]

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.
- (b) 100% Subsidiary Everlon Power 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. 2010-11	2010-11		Volume of Trans. 2009-10	2009-10	
			Outstanding			Outstanding	
			Receivable	Payable		Receivable	Payable
Where Control Exists	Loans	240.25	—	254.10	118.17	—	159.80
	Director's Remuneration and Sitting Fees	2.46	—	—	2.48	—	—
100% Subsidiary	Investment in Share Capital	5.00	—	—	—	—	—

04. Earning per share

	Year Ended March 2011	Year Ended March 2010
Profit / (Loss) attributable to the equity shareholders (Rs.in Lacs)	57.16	98.56
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)	1.13	1.95
Basic/diluted earnings per share (Rs.) (without exceptional Income)	1.13	1.95

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 2011 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	0.95
2.	Central Excise (Central Excise 1944)	Commissioner of Central Excise (adjudication)	444.45

07. Break up of Repairs and Maintenance :	31/03/2011	31/03/2010
For Plant and Machineries	823832	307896
For Others	453433	130036
	<u>1277265</u>	<u>437932</u>
	=====	=====
08. Auditors Remuneration is Rs.95000/- (Previous year Rs.70000/-) included in Profit and Loss Account is made up of:	31/03/2011	31/03/2010
Audit Fees	65000	40000
Tax Audit Fees	10000	10000
Certification Work	10000	10000
Taxation Matters	10000	10000
	<u>95000</u>	<u>70000</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. 445.40 Lacs (Previous Year Rs.445.40 Lacs)

11. There are no Micro, Small and Medium Enterprises, as defined in Micro, Small, Medium Enterprises Development Act, 2006 to whom the Company owes on account of principal amount together with interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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

For and on behalf of the Board of Directors

— Sd —
(JITENDRA K. VAKHARIA)
DIRECTOR

— Sd —
(VARSHA J. VAKHARIA)
DIRECTOR

Place : Mumbai
Dated : 30/05/2011

As per our report of even date

— Sd —
For POLAIDA & CO.
(CHARTERED ACCOUNTANTS)
(FIRM REGN NO.128274W)

— Sd —
P.T. POLADIA
(PROPRIETOR)
M..NO.38757

Statement pursuant to Section 212 of the Companies Act, 1956,
Related to Subsidiary Companies as at 31st March, 2011

	Everlon Power Limited (In INR)
The Financial Year Ending of the Subsidiary Companies	31st March 2011
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 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 31.03.2011	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 31.03.2011.	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 2011

AUDITOR'S REPORT

To
**The Members of
EVERLON POWER LTD.**

We have audited the attached Balance Sheet of **EVERLON POWER LTD** as at 31st March, 2011 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, 2011 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.

Place : Mumbai

Dated: 30/05/2011

For **POLADIA & CO.**
Chartered Accountants
(FIRM REGN NO.128274W)

— Sd —
P.T. Poladia
Proprietor
M.No.38757

EVERLON POWER LTD.

ACCOUNTING YEAR ENDED 31ST MARCH, 2011

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 2011, 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.
 Date : 30/05/2011

EVERLON POWER LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2011

PARTICULARS	SCHEDULES	AS AT 31/03/2011 (Rupees)	AS AT 31/03/2010 (Rupees)
LIABILITIES			
1. Share Capital	A	500000.00	0.00
2. Current Liabilities & Provisions	B	0.00	0.00
Total Rupees		<u>500000.00</u>	<u>0.00</u>
ASSETS			
1 Current Assets, Loans & Advances	C	32215.00	0.00
2 Preliminary & Preoperation Expenses		467785.00	0.00
Total Rupees		<u>500000.00</u>	<u>0.00</u>
Notes on Accounts & Accounting Policies	D		

For and on behalf of the
 Board of Directors

— Sd —

(JITENDRA K. VAKHARIA)
DIRECTOR

— Sd —

(VARSHA J. VAKHARIA)
DIRECTOR

Place : Mumbai.
 Dated : 30/05/2011

As per our report of even date

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

— Sd —

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

EVERLON SYNTHETICS LIMITED
EVERLON POWER LIMITED
 ACCOUNTING YEAR ENDED 31ST MARCH, 2011.

Schedule Forming Part of Balance Sheet	31/03/2011 (Rupees)	31/03/2010 (Rupees)
SCHEDULE "A" : SHARE CAPITAL		
AUTHORISED:		
1000000 Equity Shares of Rs 10/-each	10000000.00	0.00
	10000000.00	0.00
ISSUED SUBSCRIBED & PAID UP:		
50000 Equity Shares of Rs.10 each fully paid up	500000.00	0.00
	500000.00	0.00
SCHEDULE "B" CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for expenses	0.00	0.00
	0.00	0.00
SCHEDULE "C" CURRENT ASSETS & LOANS & ADVANCES		
<u>Cash and Bank Balances</u>		
Cash on Hand	8105.00	0.00
Balance with Bank in Current Accounts	24110.00	0.00
	32215.00	0.00

22ND ANNUAL REPORT
EVERLON POWER LIMITED

SCHEDULE 'D'

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.

For and on behalf of the
Board of Directors

— Sd —

(JITENDRA K. VAKHARIA)
DIRECTOR

— Sd —

(VARSHA J. VAKHARIA)
DIRECTOR

Place : Mumbai.
Dated : 30/05/2011

As per our report of even date

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

— Sd —

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

EVERLON SYNTHETICS LIMITED
E-COMMUNICATION REGISTRATION FORM

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

Dear Sir,/Madam,

RE: Green Initiative in Corporate Governance

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

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

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

Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.
- 2) The form is also available on the website of the company www.everlon.in
- 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.

22ND ANNUAL REPORT
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 ofas my / our
proxy to vote for me / us on my / our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday, the 13th August 2011 at 11.30 a.m. and at any adjournment thereof.

Affix 1
Rupee
revenue
Stamp

Signed this..... day of.....2011

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 22nd General Meeting held at Registered Office of the Company at 67, Regent Chambers, 6th Floor, 208, Nariman Point, Mumbai - 400 021. on Saturday, the 13th August 2011 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.