



EVERLON SYNTHETICS LIMITED

**10th ANNUAL REPORT
1998-99**

EVERLON SYNTHETICS LIMITED

10th ANNUAL REPORT

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BOARD OF DIRECTORS

SHRI KANTILAL V.VAKHARIA	CHAIRMAN
SHRI JITENDRA K.VAKHARIA	MANAGING DIRECTOR
SHRI KIRIT H.DOSHI	WHOLE-TIME DIRECTOR
SHRI N.RAMACHANDRAN	DIRECTOR
SHRI MAHESH DAYARAM	DIRECTOR
SHRI MUJEEBUR RAHMAN HABEEB	DIRECTOR
SHRI NILESH DHIRAJLAL SHAH	DIRECTOR
SMT. VARSHA J.VAKHARIA	ALTERNATE DIRECTOR TO SHRI NILESH DHIRAJLAL SHAH

AUDITORS

M/s.K.C.SANGHAVI & CO.
(Chartered Accountants)
106, Shradhanand Building,
272/274, Samuel Street, Vadgadi,
Mumbai - 400 003.

BANKERS

THE BOMBAY MERCANTILE CO-OPERATIVE BANK LTD
INDIAN OVERSEAS BANK
DENA BANK

REGISTERED OFFICE

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

FACTORIES

- 1) Survey No.775/1/C, Ozar Road,
Mota Pondha, Taluka Dharampur,
Dist. Valsad, Gujarat.
- 2) Plot No.265/7/1,
Demni Road,
Opp: Blue Star Ltd.
Dadra.
Union Territory of Dadra & Nagar Haveli.

EQUITY SHARES LISTED AT

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

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NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Members of the Company will be held on Thursday, the 23rd September, 1999 at 11.30 A.M at Kilachand Conference Room, 2nd Floor, Indian Merchant Chamber, IMC Marg, Churchgate, Mumbai - 400 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider & adopt Audited Accounts for the year ended 31st March, 1999, together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri Mahesh Dayaram who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Nilesh Dhirajlal Shah who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT M/s.N.B.Shah & Associates, Chartered Accountant, Mumbai be and are hereby appointed as a Auditor of the Company in place of M/s.K.C. Sanghavi & Company, Chartered Accountant, present Auditor of the Company who have expressed their unwillingness to continue to act as auditors for the Financial Year ending 31/3/2000, from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting on payment of such remuneration as may be determined by the Board of Directors and they be paid out of pocket expenses and other charges for services rendered by them in other capacity".

- 5) To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

A) "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company is hereby accorded for reappointment of Shri Kirit H. Doshi, Whole-Time Director, for a further period of 5 years from 13/05/99 on following terms and conditions:

- I) SALARY
Salary of Rs.10,000/- per month.

II) PERQUISITES

CATEGORY - A

In addition to salary, following perquisites will be allowed:

- a) Car
Provision of Car for use on Company's business. Use of car for private purpose shall be billed by the Company.
- b) Telephone
Telephone at residence, Personal long distance calls shall be billed by the Company.

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CATEGORY - B

Shri Kirit H. Doshi will also be entitled to the following perquisites but this will not be included in calculation of ceiling on perquisites:

- a) Provident Fund
Company's contribution for Provident Fund shall be as per the scheme of the Company.
 - b) Superannuation/Annuity Fund
Company's contribution to Superannuation and Annuity Fund shall be in accordance with the scheme of the Company.
 - c) Gratuity
Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - d) Encashment of Leave
Appointee shall be entitled to encashment of Leave at the end of the tenure.
- B) RESOLVED FURTHER THAT total remuneration including salary and perquisites amount payable to Shri Kirit H. Doshi, Whole-Time Director shall not exceed 5% of the net profit of the Company in any Financial Year.
- C) RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Shri Kirit H. Doshi, Whole-Time Director shall be paid the above remuneration by way of salary and perquisites as minimum remuneration.

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By order of Board of Directors

Place: Mumbai
Dated: 30th July, 1999

JITENDRA K. VAKHARIA
(MANAGING DIRECTOR)

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

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NOTES

- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
- b) The Register of Members and Share transfer books of the Company will remain closed from Tuesday 7th September, 1999 to Thursday, the 23rd September, 1999 (both days inclusive) for the purpose of Annual General Meeting.
- c) Explanatory statement as required U/S 173 in respect of special business is annexed herewith.
- d) The Members are requested to:
 - I) Intimate immediately any change in their address to the Company at 67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.
 - II) Quote their Folio No. in their correspondence with the Company.
 - III) To 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 the Company for consolidation of their folios, in case they are having more than one folio.
- e) Unpaid/Unclaimed Dividend:
 - I) Members who have not yet encashed their dividend warrants in respect of Financial Year 1994-95, 1995-96, 1996-97 and 1997-98 are requested to contact company for revalidation at the earliest.
 - II) In terms of amended Section 205-A and newly introduced Section 205-C, now the Company is 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.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**ITEM NO.4****APPOINTMENT OF AUDITORS**

M/s.K.C.Sanghavi & Company, Chartered Accountants, present Auditors of the Company have expressed their unwillingness to continue as Auditors and requested the Company not to consider their name for reappointment.

M/s.N.B Shah & Associates, Chartered Accountant, Mumbai have given their consent under section 224 of Companies Act, 1956 to act as a Auditors of the Company. Members are requested to appoint M/s.N.B Shah & Associates, Chartered Accountant, Mumbai as a Auditors of the Company for the Financial Year ending 31/3/2000.

Director recommend the resolution for Members approval.

No Director of the Company is concerned or interested in this resolution.

ITEM NO.5**RE-APPOINTMENT OF SHRI KIRIT H. DOSHI, WHOLE-TIME DIRECTOR**

Board of Directors at their meeting held on 31/5/99 have reappointed Shri Kirit H. Doshi, Whole-Time Director of the Company for a further period of five years from 13/5/99. It would be in the interest of the Company to continue to avail services of Shri Kirit H. Doshi, Whole-Time Director. Considering his educational qualification and experience, the remuneration payable to him is fair and reasonable and is within limits specified in Schedule XIII of the Companies Act, 1956.

Members approval is required for reappointment of Shri Kirit H. Doshi as a Whole-Time Director under Schedule XIII and other applicable provision of the Companies Act, 1956.

Directors recommend resolution for the approval of the Members.

Except Shri Kirit H. Doshi, Whole-Time Director no other Director is concerned or interested in this resolution.

This shall be treated as an abstract under Section 302 of the Companies Act, 1956.

By order of Board of Directors

Place: Mumbai
Dated: 30th July, 1999

JITENDRA K. VAKHARIA
(MANAGING DIRECTOR)

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

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DIRECTORS' REPORT

To,
The Members'

The Board of Directors present the Tenth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 1999, alongwith the cashflow statements:

1. OPERATION AND FINANCIAL RESULTS

	Year Ended 31.3.1999 (Rs.in Lacs)	Year Ended 31.3.1998 (Rs.in Lacs)
Sales (inclusive of Excise Duty)	1957.62	2125.38
Other Income	6.63	13.93
Profit for the year before Depreciation	0.92	126.75
Less: Depreciation	40.69	36.74
Profit/(loss) before Tax	(39.77)	90.01
Less: Provision for Taxation	—	—
Profit/(Loss) available for Appropriation	(39.77)	90.01
Balance Brought forward from previous year	90.68	53.07
	50.91	143.08
Appropriations:		
Proposed Dividend	—	40.36
Tax on Dividend	—	4.04
General Reserve	—	8.00
Balance Carried to Balance Sheet	50.91	90.68
	=====	=====

2. PERFORMANCE

Due to the general recession in the economy, the textile market remained depressed resulting in reduced prices for the Company's products.

The Company has made a profit of Rs.0.92 lacs before depreciation and the Working for the year has resulted in a Net Loss of Rs.39.77 lacs.

3. CURRENT YEARS WORKING

For the first three months of current years, the sale (including Central Excise Duty) were Rs.379.52 lacs.

4. DIVIDEND

Directors do not recommend any Dividend due to loss incurred in the Financial Year 1998-99.

5. DIRECTORS

Shri Mahesh Dayaram and Shri Nilesh Dhirajlal Shah Directors of the Company retire by rotation and being eligible offer themselves for reappointment. Board has reappointed Shri Kirit H. Doshi as a Whole-Time Director for a further period of 5 years from 13/05/99.

6. AUDITORS

M/s.K.C.Sanghavi & Co., Chartered Accountants, present Auditors of the Company have expressed their unwillingness to continue as Auditors of the Company and requested not to consider their name for re-appointment for Financial Year 1999-2000. M/s.N.B Shah & Associates, Chartered Accountants have given their consent to act as Auditors for the Financial Year 1999-2000.

7. 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.

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

The Statement giving particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo is Annexed hereto.

9. FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from Public.

10. AUDITOR'S REPORT

Auditors remarks in respect of inventory valuation are self explanatory. Company will provide for gratuity liability in the accounting year 1999-2000.

11. Y2K COMPLIANCE

Company has taken all effective steps for Y2K compliance. The amount of the same is not significant.

12. ACKNOWLEDGEMENT

The Directors are thankful to the Company's Bankers for their support and assistance. The Directors also wish to place on record appreciation for the efforts put in by the employees at all levels during the year.

For and on Behalf of the Board of Directors

Place : Mumbai
Dated : 30st July, 1999

KANTILAL V. VAKHARIA
CHAIRMAN