



Everlon Synthetics Limited

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12th Annual Report (2000-2001)

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Everlon Synthetics Limited**BOARD OF DIRECTORS**

SHRI JITENDRA K. VAKHARIA	MANAGING DIRECTOR
SHRI KIRIT H. DOSHI	WHOLE-TIME DIRECTOR
SMT. VARSHA J. VAKHARIA	DIRECTOR
SHRI KAMLESH C. SANGHAVI	DIRECTOR
SHRI ATUL B. DESAI	DIRECTOR

AUDITORS

M/s.N.B SHAH & ASSOCIATES,
(Chartered Accountants)
305, Tulsiani Chambers,
Nariman Point,
Mumbai - 400 021.

BANKERS

THE BOMBAY MERCANTILE CO-OPERATIVE BANK LTD
INDIAN OVERSEAS BANK
CORPORATION 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,
Dadra, Silvassa.
(Union Territory of Dadra & Nagar Haveli)

LISTED AT

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

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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of the Company will be held on Friday, the 28th September, 2001 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, 2001, together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri Kirit H. Doshi who retires by rotation and being eligible offers himself 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 an **Ordinary Resolution**.

"RESOLVED that Shri Kamlesh C. Sanghavi who has been appointed by the Board as an additional Director and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice alongwith deposit of Rs. 500/- from a member u/s. 257 of the Companies Act, 1956 proposing his candidature as a Director be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

"RESOLVED that Shri Atul B.Desai who has been appointed by the Board as an additional Director and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice alongwith deposit of Rs.500/- from a member u/s. 257 of the Companies Act, 1956 proposing his candidature as a Director be and is hereby appointed as a Director of the Company liable to retire by rotation".

By order of Board of Directors

Sd/-

JITENDRA K. VAKHARIA
(MANAGING DIRECTOR)

Place: Mumbai

Dated: 30th July, 2001

Registered Office :

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

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share transfer books of the Company will remain closed from Friday 21st September, 2001 to Friday, the 28th September, 2001 (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, 6th Floor, 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.

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- 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 the 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.
- f) Dematerialisation :
The Company has entered into a tripartite agreement with M/s.Sharex India (P) Ltd, M/s. National Security Depository Ltd and with M/s. Central Depository Services Ltd for dematerialisation of company's equity shares for which company was allotted with ISIN No.INE339D01018. Members may covert their holdings from physical to demat form and request for dematerialisation of Shares are to be made only to the Depository Participant with whom you have opened your demat account.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO.4

APPOINTMENT OF SHRI KAMLESH C. SANGHAVI AS A DIRECTOR

Board of Directors at their meeting held on 30/07/2001 have appointed Shri Kamlesh C. Sanghavi as an Additional Director. His appointment is valid upto this Annual General Meeting. The Company has received a notice from a member proposing candidature of Shri Kamlesh C. Sanghavi as a Director of the Company u/s 257 of Companies Act 1956 alongwith the necessary deposit. It would be in the interest of the Company to continue to avail the services of Shri Kamlesh C. Sanghavi as a Director who is a practising Chartered Accountant.

The Directors recommend the resolution for members approval.

None of the Directors of the Company, except Shri Kamlesh C. Sanghavi is concerned or interested in passing of the said resolution.

ITEM NO.5

APPOINTMENT OF SHRI ATUL B. DESAI AS A DIRECTOR

Board of Directors at their meeting held on 30/07/2001 have appointed Shri Atul B. Desai as an Additional Director. His appointment is valid upto this Annual General Meeting. The Company has received a notice from a member proposing candidature of Shri Atul B. Desai as a Director of the Company u/s 257 of Companies Act 1956 alongwith the necessary deposit. It would be in the interest of the Company to continue to avail the services of Shri Atul B. Desai as a Director who is a Chartered Accountant.

The Directors recommend the resolution for members approval.

None of the Directors of the Company, except Shri Atul B. Desai is concerned or interested in passing of the said resolution.

By order of Board of Directors

Sd/-

JITENDRA K. VAKHARIA
(MANAGING DIRECTOR)

Place: Mumbai
Dated: 30th July, 2001

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 12th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2001, alongwith the cashflow statements:

1. OPERATION AND FINANCIAL RESULTS

	Year Ended 31/03/2001 (Rs.in Lacs)	Year Ended 31/03/2000 (Rs.in Lacs)
Sales (inclusive of Excise Duty)	574.50	1779.39
Other Income	21.19	15.68
Profit/(Loss) for the year		
before Depreciation	(243.53)	(80.56)
Less: Depreciation	(385.66)	(41.14)
Profit/(loss) before Tax	(629.19)	(121.70)
Provision for Diminution in value of Long Term Investments	(45.06)	—
Excess/(Short) Tax provisions for prior years	3.18	—
Profit/(Loss) for the year	(671.07)	(121.70)
Transferred from		
General Reserve	111.00	—
Balance Profit/(Loss)	(560.07)	(121.70)
Balance Brought forward from previous year	(70.80)	50.90
Loss Carried to Balance Sheet	(630.87)	(70.80)
	=====	=====

2. PERFORMANCE

Due to inadequate working capital, there was under utilisation of capacity hence the Company could produce only 403.33 Tons against 1775.19 Tons in the previous year resulting in sales turnover being Rs.574.50 lacs as compared to previous years sales of Rs.1779.39 lacs.

3. CURRENT YEAR'S WORKING

For the first three months of current years, the sales (including Central Excise Duty) were Rs.163.00 lacs.

4. DIVIDEND

Directors do not recommend any Dividend due to the losses suffered by the Company.

5. DIRECTORS

Shri N. Ramachandran has resigned from the Board of Director's w.e.f. 27/01/2001. The Company has benefited a lot from his experience and his association with the Company. The Board puts on record sincere appreciation of the services rendered by Shri N. Ramachandran during his association with the Company.

Shri Kamlesh C. Sanghavi and Shri Atul B. Desai have been appointed as additional Directors by the Board of Directors. It is proposed to appoint them as regular Directors at the ensuing Annual General Meeting. The Company has received notices from members u/s 257 alongwith deposit for their appointment.

6. AUDITORS

M/s. N.B Shah & Associates, Chartered Accountants have given their consent for reappointment for the F.Y. 2001-2002. Members are requested to reappoint them.

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

It is hereby confirmed that in respect of Financial Year ended on 31/03/2001.

- a) In the preparation of annual accounts, the applicable accounting standards have been followed.
- b) Directors had selected such accounting policies and applied them consistently and made judgements

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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 31/3/2001 and of the loss of the company for that period.

- c) The Directors had 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 had prepared the Annual Accounts on a going concern basis.

9. AUDITORS REPORT

Auditors remarks on change in methods of depreciation are self explanatory.

10. AUDIT COMMITTEE

The Company is in the process of formation of Audit committee.

11. PROVISIONS OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985

Since Company has become a sick industrial company, the Company is in the process to report the sickness to BIFR u/s 15 of the SICA Act for rehabilitation.

12. 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.

13. FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the Public.

14. ACKNOWLEDGEMENT

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

For and on Behalf of the Board of Directors

Sd/-

JITENDRA K. VAKHARIA

MANAGING DIRECTOR

Sd/-

KIRIT H. DOSHI

WHOLE-TIME DIRECTOR

Place : Mumbai

Dated : 30th July, 2001

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ANNEXURE 1 TO DIRECTORS' REPORT 2000-2001

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 2000-2001.

CONSERVATION OF ENERGY:

a. Conservation Measures taken :

The Company is regularly making efforts for enhancement in capacity utilisation, cost competitiveness and quality improvement of product. Utilities are being combined for effective energy conservation.

b. Additional Investments 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.

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:

	2000-2001	1999-2000
A. POWER AND FUEL CONSUMPTION :		
1. Electricity		
(a) Purchases Units (Lacs)	2.07	3.47
Total Amounts (Rs.in lacs)	11.03	14.62
Rate per Unit (Rs.)	5.32	4.21
(b) Own Generation :		
Through Diesel Generator		
Units (in lacs)	6.75	43.21
Units per Ltr. of Diesel oil	3.59	3.69
Cost per Units (Rs.)	3.87	3.28
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Other / Internal Generation Steam	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION :		
(Product : Polyester Texturised Yarn & Polyester Twisted Yarn)		
1. Electricity (Unit per M.T.)	2035	2630
2. Coal (Kg)	Nil	Nil
3. Furnace Oil Liter	Nil	Nil
4. Steam (Tons)	Nil	Nil

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 EARNING AND OUT GO :

- | | | |
|---|-----|----------------|
| a. Activities relating to exports initiative taken to |) | |
| increase export markets for products and services |) | NOT APPLICABLE |
| and export plan. |) | |
| b. Total Foreign exchange used and earned: | | |
| 1. Expenditure in Foreign Currency | NIL | NIL |
| 2. Value of Import on CIF basis | NIL | NIL |