

**15th
Annual Report
2003-2004**

**CERTIFIED TRUE COPY
For EVERLON SYNTHETICS LTD.**


Director

**EVERLON
SYNTHETICS
LIMITED**

REPORTJUNCTION.COM

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EVERLON SYNTHETICS LIMITED

BOARD OF DIRECTORS

SHRI JITENDRA K. VAKHARIA
SMT. VARSHA J. VAKHARIA
SHRI DINESH P. TURAKHIA

MANAGING DIRECTOR
DIRECTOR
DIRECTOR

AUDITORS

M/s.N.B SHAH & ASSOCIATES,
(Chartered Accountants)
602, DAMJI SHAMJI TRADE CENTRE,
OPP.VIDYAVIHAR RLY.,STN.,
GHATKOPAR (W),.MUMBAI - 400 086.

BANKERS

THE BOMBAY MERCANTILE CO-OPERATIVE BANK LTD.
INDIAN OVERSEAS BANK
THE BANK OF RAJASTHAN LTD.

REGISTERED OFFICE

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

FACTORIES

- 1) Plot No.265/7/1,
Demni Road,
Dadra, Silvassa.
(Union Territory of Dadra & Nagar Haveli)
- 2) Survey No.775/1/C, Ozar Road,
Mota Pondha, Taluka : Kaprada,
Dist : Valsad, Gujarat.

LISTED AT

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

REGISTRAR & SHARE TRANSFER AGENT

SHAREX (INDIA) PVT. LTD.
17/B, DENA BANK BUILDING,
2ND FLOOR, HORNIMAN CIRCLE,
FORT, MUMBAI - 400 001.

EVERLON SYNTHETICS LIMITED**NOTICE**

Notice is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on Thursday, the 30th September 2004, at 4.30 P.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, 2004, 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.

By order of Board of Directors

Place : Mumbai
Dated : 31st July, 2004

JITENDRA K. VAKHARIA
(MANAGING DIRECTOR)

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 24th September 2004 to Thursday 30th September 2004 (both days inclusive) for the purpose of Annual General Meeting.
- c) The Members are requested to :
 - i) Intimate immediately any change in their address to Company's Registrar and Share Transfer Agent M/s. Sharex (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horinman Circle, Fort, Mumbai - 400 001. 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 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 Transfer Agents M/s. Sharex (India) Pvt.Ltd for consolidation of their folios, in case they are having more than one folio.
- d) Unpaid/Unclaimed Dividend:
 - i) Members who have not yet encashed their dividend warrants in respect of Financial Year 1996-97 and 1997-98 are requested to contact the company for revalidation at the earliest.

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- II) 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.

Details of the Directors seeking Appointment/Re-appointment at in the forthcoming Annual General Meeting.

(As per Clause 49 (VI) (A) of the Listing Agreement)

- | | |
|--|---|
| A. Name of Director | Smt. Varsha Vakharia |
| B. Date of Birth | 25.08.1958 |
| C. Date of Appointment | 29.10.1999 |
| D. Expertise in Specific functional areas | Business |
| E. Qualifications | M.A. |
| F. List of Companies in which Directorship held as on 31st March 2004. | Vakharia Synth P.Ltd
Omkar Textile P.Ltd.
Vakharia Financial Services Ltd.
Lasha Investment & Trading Co. Pvt. Ltd.
Vakharia Leasing & Finance Co. Pvt. Ltd.
Everest Yarn Agency Pvt. Ltd. |
| G. Chairman/Member of the Committees of the Board of the other Companies on which she is a Director as on 31st March 2004. | — |

EVERLON SYNTHETICS LIMITED

CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with 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 2003-2004, 5 Board Meetings were held on 20th May 2003, 30th June 2003, 31st July 2003, 31st October 2003, and 30th January 2004.

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 Memberships are given below :

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM as on 31st March '04 in other companies	No. of other Directorships	No of other Committees	
						Membership	Chairmanship
1.	Shri Jitendra K. Vakharia Managing Director	ED(P)	5	Yes	7	—	—
2.	Smt. Varsha J. Vakharia	NED(P)	5	Yes	6	—	—
3.	Shri Dinesh P. Turakhia	NED(I)	5	Yes	—	—	—

ED(P)-Executive Director, Promoter, NED(P)-Non Executive Director, Promoter, NED(I)-Non Executive Director, Independent * Including Directorships in Private Limited Companies

3. Audit Committee

During the financial year 2003-2004, 4 meetings of the Committee were held as under: 30th June 2003, 31st July 2003, 31st October 2003 and 30th January 2004.

Details of composition of the Committee and attendance of the members are given below :

Sr.	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)	Smt. Varsha J. Vakharia	Member	NED (P)	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 Company has not paid any remuneration to Managing Director and other Directors. It has also not paid any sitting fees to the Directors for attending Board/Committee meetings.

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5. Shareholders/Investors Grievances Committee

During the year Share Transfer Committee held 16 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 8th March '04. The composition of the Committee is as under :

Sr.	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 redressal of shareholders/investors complaints such as non-receipt of shares sent for transfer, non receipt of dividends/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 (India) Pvt. Ltd., Registrar & Share Transfer Agents, attends to all Shareholders/Investors Grievances received directly or through SEBI, Stock Exchanges, Department of Company Affairs and Registrar of Companies.

The total number of complaints received from the Shareholders were four.

All the letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were six requests for 5500 Equity shares pending for dematerialisation as on 31st March 2004.

The same was completed by 15.04.04.

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
2002-2003	67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.	26th September 2003 at 4.30 P.M.
2001-2002	67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.	30th July 2002 at 4.30 P.M.
2000-2001	67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.	28th September 2001 at 11.30 A.M.

No Special Resolution was put through postal ballot during last year. 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 the last 3 years.

8. Means of Communication

- * Half yearly results are published in newspapers but not sent to each household of Shareholders.
- * The quarterly results of the Company are published in the following newspapers Free Press Journal (English) and Nav Shakti (Marathi).
- * Management Discussion and Analysis is a part of Annual Report.

9. Information on Directors

Information relating to Director seeking reappointment as required under Clause 49(VI)(A) of the Listing Agreement is given in the notice of Annual General Meeting.

10. General Shareholder Information

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

11. Non-Mandatory Requirements

Company has no permanent Chairman at present. Company has not constituted a Remuneration Committee.

EVERLON SYNTHETICS LIMITED

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, 2004, 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, since the company does not have adequate number of independent Directors on its Board, the company is unable to fully comply with the conditions of Corporate Governance and accordingly we certify that the company has not fully 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 N. B. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

Place : Mumbai.
Dated : 31st July, 2004

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

Information for Shareholders

Annual General Meeting:

Day, Date & Time: Thursday, 30th September 2004, 4.30 P.M.

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

Financial Calendar (Tentative)

Unaudited results for the quarter ending 30th June, 2004:

4th week of July 2004.

Unaudited results for the quarter ending 30th September, 2004:

4th week of October 2004.

Unaudited results for the quarter ending 31st December, 2004:

4th week of January 2005.

Audited results for the year ending 31st March, 2005:

4th week of May/June 2005.

Book Closure Dates on account of Annual General Meeting:

24th September 2004 to 30th September 2004 (Both days inclusive)

Listing of Shares on Stock Exchange

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

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

Market Price Data

Share prices during the year 2003-04 at BSE for one equity share of Rs.10/- each were as under

Share Price (Rs)

Month	High	Low
April, 2003	—	—
May, 2003	—	—
June, 2003	5.17	4.20
July, 2003	—	—
August, 2003	6.45	4.00
September, 2003	6.94	1.61
October, 2003	2.36	1.10
November, 2003	2.64	1.21
December, 2003	4.89	1.76
January, 2004	4.60	2.00
February, 2004	2.64	1.64
March, 2004	2.70	1.37

Share Transfer System

The Company has appointed M/s. Sharex India Pvt. Ltd., as its Registrar and Share Transfer Agent

REGISTRAR AND TRANSFER AGENT

Sharex India Pvt. Ltd.,

17/B, Dena Bank Building,

2nd Floor, Fort, Mumbai - 400 001.

Tel: 2270 2485/2264 1376

Fax: 2264 1349

Presently the share transfers which are received in physical form are processed and the share certificates duly transferred are returned generally within 30 days from the date of the receipt, subject to the documents being valid and complete in all respects.

Insider Trading Regulations :

The Company has framed a Code of Internal Procedures and Conduct for Prevention of Insider Trading on the lines of model code specified by SEBI.

Distribution of Shareholding as on 31st March 2004.

Size of Holdings	No. of Holders	% of Holders	No of Shares	% of Shares
Upto 100	588	14.61	58007	1.15
101 to 200	2046	50.80	409075	8.11
201 to 500	781	19.40	312813	6.20
501 to 1000	303	7.53	243295	4.82
1001 to 5000	240	5.96	610671	12.10
5001 to 10000	28	0.70	217429	4.31
10001 to 100000	30	0.75	1202550	23.83
100001 to Above	10	0.25	1991700	39.48
Total	4026	100.00	5045600	100.00

EVERLON SYNTHETICS LIMITED**Shareholding Pattern As On 31st March 2004**

Category	No of Shares held	% of Shareholding
Indian		
Promoters	14,18,790	28.119%
Banks	300	00.006%
Private		
Corporate		
Bodies	1,64,881	3.266%
Indian		
Public	17,47,329	34.631%
NRIs/OCBs	17,14,300	33.976%
Total	50,45,600	100.00%

Dematerialisation of shares & Ilquidity :

As at 31st March, 2004, 51.59% of total equity shares of the Company were held in dematerialised 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 dematerialised form. The shares are available for dematerialisation under ISIN INE 339D01018. Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

Outstanding GDRs/ADRs/Warrants/Convertible Instruments:

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

Plant Locations :

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

Plot No.775/1/C, Ozar Road,
Mota Pondha, Dist. Valsad.

Address for Correspondence

Registered Office
67, Regent Chambers,
Nariman Point,
Mumbai - 400 021.
Tel: 2204 9233, 2204 2788
Fax: (022) 2287 0540