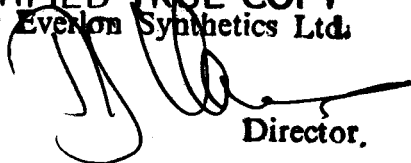


**16th  
Annual Report  
2004-2005**

**CERTIFIED TRUE COPY**  
For Everlon Synthetics Ltd.



Director.

**EVERLON  
SYNTHETICS  
LIMITED**

reportjunction.com

## EVERLON SYNTHETICS LIMITED

ACCOUNTING YEAR  
31st MARCH 2005ASSESSMENT YEAR  
(2005-2006)

## CONTENTS

Sr. No.	Particulars	Page No.
1.	Board of Directors	01
2.	Notice	02
3.	Corporate Governance Report	05
4.	Director's Report, Management Discussion and Analysis Report	11
5.	Auditor's Report	15
6.	Balance Sheet	18
7.	Profit & Loss Account	19
8.	Cash Flow Statement	20
9.	Schedule Forming Balance Sheet & Profit and Loss A/c	21
10.	Notes on Accounts	27
11.	Balance Sheet Abstract	32

16TH ANNUAL REPORT

**EVERLON SYNTHETICS LIMITED**

**BOARD OF DIRECTORS**

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

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 EVERLON SYNTHETICS LIMITED
 

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**NOTICE**

Notice is hereby given that the 16th Annual General Meeting of the Members of the Company will be held on Friday, the 30th September 2005, at 5.00 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, 2005, together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri Dinesh P. Turakhia 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 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 1 year with effect from 1st October 2005 upon the terms and conditions as set out in the Explanatory Statement attached to this Notice."

"RESOLVED FURTHER THAT Shri Jitendra K. Vakharia, the 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 shall not be paid any remuneration for providing his services to the company as Managing Director."

"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 a 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 statutory modifications thereof as may be agreed to by the Board of Directors and Shri Jitendra K. Vakharia."

"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."

**By order of Board of Directors**

Place: Mumbai  
Dated: 30th July, 2005

**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 23rd September 2005 to Friday 30th September 2005, (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 electric 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 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, 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.

**Explanatory Statement pursuant to S.173 of the Companies Act, 1956****Reappointment of Shri Jitendra K. Vakharia as Managing Director**

The present term of appointment of Shri Jitendra K. Vakharia as the Managing Director is valid upto 30th September 2005. The Board of Directors (the Board) of the company at their meeting held on 30th July, 2005 have re-appointed him as the Managing Director for a further period of 1 year with effect from 1st October 2005 on following terms and conditions:

Shri Jitendra K. Vakharia shall not be paid any remuneration for rendering his services as Managing Director to 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 avail services of Shri Jitendra K. Vakharia as Managing Director.

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

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 EVERLON SYNTHETICS LIMITED
 

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This shall be treated as an abstract w/s. 302 of the Companies Act, 1956.

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.

By order of Board of Directors

Place: Mumbai  
Dated: 30th July, 2005

**JITENDRA K. VAKHARIA**  
**(MANAGING DIRECTOR)**

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

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

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

A. Name of Director	Shri Dinesh P Turakhia	Shri Jitendra K Vakharia
B. Date of Birth	25.09.1942	10.05.1956
C. Date of Appointment	06.12.2002	19.12.1989
D. Expertise in Specific functional areas	17 years experience in yarn business	25 years experience in yarn business
E. Qualifications	D.E.E.	B.Sc.
F. List of Companies in which Directorship held as on 31st March 2005.	NIL	Vakharia Synth P.Ltd. Omkar Texlone P.Ltd. Vakharia Financial Services Ltd. Lasha Investment&Trading Co.P.Ltd Vakharia Leasing & Finance Co.P.Ltd. Everest Yarn Agency Pvt. Ltd.
G. Chairman/Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March 2005.	—	—

## 16TH ANNUAL REPORT

**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.

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

The Company is committed to good Corporate Governance.

**2. Board of Directors**

During the Financial year 2004-2005 7 Board Meetings including one adjourned meeting were held on 20th May 2004, 30th June 2004, Adjourned to 7th July 2004, 31st July 2004, 30th September 2004, 30th October 2004 and 31st January 2005

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	No. of other Directorships (As on 31st March 05 in other companies)	No. of other Committees	
						Membership	Chairmanship
1.	Shri Jitendra K. Managing Director	ED (P)	6	Yes	6	-----	-----
2.	Smt. Varsha J. Vakharia	NED (P)	6	No	6	-----	-----
3.	Shri Dinesh P. Turakhia	NED (I)	6	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 2004-2005, 5 meetings (including one adjourned meeting) of the Committee were held as under: 30th June 2004, adjourned to 7th July 2004, 31st July 2004, 30th October 2004 and 31st January 2005.

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.

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**EVERLON SYNTHETICS LIMITED**


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**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.

**5. Shareholders/Investors Grievances Committee**

During the year Share Transfer Committee held 13 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 7th March '05. 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 three.

All the letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were requests for 5500 Equity shares pending for dematerialisation as on 31st March 2005.

The same was completed by 15.04.2005.

**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
2003-2004	67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.	30th September 2004 at 4.30 P.M.
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.

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, 2005, 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 : 30th July, 2005

P.T.POLADIA  
PARTNER  
M.NO.38757

#### Information for Shareholders

##### Annual General Meeting:

Day, Date & Time: Friday, 30th September 2005, 5.00 P.M.

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

##### Financial Calendar (Tentative)

Unaudited results for the quarter ending 30th June, 2005:

4th week of July 2005.

Unaudited results for the quarter ending 30th September, 2005:

4th week of October 2005.

Unaudited results for the quarter ending 31st December, 2005:

4th week of January 2006.

Audited results for the year ending 31st March, 2006:

4th week of May/June 2006.

##### Book Closure Dates on account of Annual General Meeting:

23rd September 2005 to 30th September 2005 (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.