

19th
Annual Report
2007-2008

EVERLON
SYNTHETICS
LIMITED

 EVERLON SYNTHETICS LIMITED

ACCOUNTING YEAR ENDED
31st MARCH 2008

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19TH ANNUAL REPORT

EVERLON SYNTHETICS LIMITED

BOARD OF DIRECTORS

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

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
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
THE BANK OF RAJASTHAN LTD.

REGISTERED OFFICE

67, Regent Chambers,
208, Nariman Point, Mumbai - 400 021.
E-mail : everlon@rediffmail.com

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 DYNAMIC (INDIA) PVT. LTD.
17/B, DENA BANK BUILDING, 2ND FLOOR, HORNIMAN CIRCLE,
FORT, MUMBAI - 400 001.
TEL NO: 22702485/ 22641376 FAX NO: 2264 1349
E-mail : Sharexindia@vsnl.com

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Saturday 23rd August 2008 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, 2008, 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

Report  Junction.com

Place: Mumbai

Dated: 30th June 2008

By Order of Board of Directors

— Sd —

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 Thursday 14th August 2008 to Saturday 23rd August 2008, (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 Agents M/s.Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd floor, Horniman 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 Dynamic (India) Pvt.Ltd. for consolidation of their folios, in case they are having more than one folio.
- d) 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.

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 | Smt. Varsha J. Vakharia |
| B. Date of Birth | 25/8/1958 |
| C. Date of Appointment | 29/10/1999 |
| D. Expertise in specific functional areas | Experience in yarn business |
| E. Qualifications | M.A. |
| F. Name of Companies in which directorship held as on 31st March, 2008 | Vakharia Synth P. Ltd.
Omkar Texolene P. Ltd.
Vakharia Financial Services Ltd.
Lasha Inv. & Trading 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 2008 | — NIL — |
| H. No.of equity shares of Rs.10/- each of the company held as on 31st March 2008 | 259687 |
| I. Inter-se Relations among Directors | She is related to
Shri Jitendra K. Vakharia |

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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 2007-2008, 6 Board Meetings were held on 28th April 2007, 30th June 2007, 31st July 2007, 31st October 2007, 1st January 2008 and 31st January 2008.

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 AGM	No. of other Directorships (As on 31st March 2008 in other companies *	No of other Committees	
						Member ship	Chairman ship
1	Shri Jitendra K. Vakharia Managing Director	ED (P)	6	Yes	5	' _____	' _____
2	Smt. Varsha J. Vakharia	NED (P)	6	Yes	5	' _____	' _____
3	Shri Dinesh P. Turakhia	NED (I)	6	Yes	NIL	' _____	' _____
4	Shri Kamlesh Sanghavi	NED (I)	6	Yes	NIL	' _____	' _____

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 2007-2008, 4 meetings of the committee were held as under: 30th June 2007, 31st July 2007, 31st October 2007 and 31st January 2008.

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 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. One meeting of remuneration committee was held on 30th June 2007 which was attended by all the three members. The term 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 2007-2008 are given below:-

Name	Salary	Commission	Perquisites	Total	Tenure of years
Shri Jitendra K. Vakharia	120000	—	—	120000	2

Notice period for the Managing Director is as applicable to the senior employee of the company. No servance 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 2008 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

Shri D.P. Turakhia Rs. 3000/-, Shri K.C. Sanghavi Rs.3000/- and Smt. Varsha J. Vakharia Rs. 3000/-. The no of equity shares of the company held by non-executive Directors as on 31st March 2008 are as follows:-
Shri D.P. Turakhia 500, Shri K.C. Sanghavi - NIL and Smt. Varsha J. Vakharia 259687.

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 17th March, 08. 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 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 four. All the letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were 1 requests for 200 shares pending for dematerialisation as on 31st March 2008. The same was completed by 15.04.2008.

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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
2006-2007	67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.	14th August 2007 at 4 P. M.
2005-2006	67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.	30th September 2006 at 4 P. M.
2004 - 2005	67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.	30th September 2005 at 5 P. M.

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

AGM Date	Matter
(i) 14th August 2007	(a) Reappointment of Shri Jitendra K Vakharia as Managing Director for 2 years. (b) Commencement of business relating to Information Technology Enabled Services.
(ii) 30th September 2006	Reappointment of Shri Jitendra K Vakharia as Managing Director for 1 year.
(iii) 30th September 2005	Reappointment of Shri Jitendra K Vakharia as Managing Director for 1 year.

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 StockExchanges 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.

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).

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 (IV) (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 2008".

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, 2008, 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

Sd
P.T. POLADIA
PROPRIETOR
M.NO.38757

Place : Mumbai
Dated : 30th June 2008

INFORMATION FOR SHAREHOLDERS

1. **Annual General Meeting:-**
Day, Date & Time: Saturday 23rd August 2008, at 4.30 P.M.,
Venue: 67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.
- 2 **Financial Year : 1st April 2008 to 31st March 2009**
- 3 **BOOK CLOSURE DATES ON ACCOUNT OF ANNUAL GENERAL MEETING:**
Thursday 14th August 2008 to Saturday 23rd August 2008 (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.