

EVERLON  
SYNTHETICS  
LIMITED

21 ST  
ANNUAL REPORT  
(2009 - 2010)

Accounting Year

31st March 2010

Assessment Year

(2010- 2011)

Sr. No.	P a r t i c u l a r s	Page No.
1	Board of Directors	01
2	Notice	02
3	Corporate Governance Report	05
4	Director's Report, Management Discussion and Analysis Report	13
5	Auditor's report	17
6	Balance Sheet	20
7	Profit & Loss Account	21
8	Cash Flow Statement	22
9	Schedule Forming Part of Balance Sheet & Profit and Loss A/c	23
10	Notes on Accounts	29
11	Balance Sheet Abstract	36

# EVERLON SYNTHETICS LIMITED

## BOARD OF DIRECTORS

SHRI JITENDRA K. VAKHARIA

MANAGING DIRECTOR

SMT. VARSHA J. VAKHARIA

DIRECTOR

SHRI DINESH P. TURAKHIA

DIRECTOR

SHRI KAMLESH C. SANGHAVI

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

## FACTORY

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.

## REGISTRAR & SHARE TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.

17/B, DENA BANK BUILDING,

2<sup>ND</sup> 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 21st Annual General Meeting of the Members of the Company will be held on Saturday 14<sup>th</sup> August 2010 at 11.30 a.m. at the Registered Office of the Company at 67, Regent Chambers, 6<sup>th</sup> 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 31<sup>st</sup> March 2010, 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.

**By order of the Board of Directors**

**Sd/-**

**J.K. Vakharia  
Managing Director**

Place : Mumbai  
Dated: 28th May 2010

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

- 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 6<sup>th</sup> August 2010 to Saturday 14<sup>th</sup> August 2010 (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, 2<sup>nd</sup> 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 Share 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 Share 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 31<sup>st</sup> 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	Shri Dinesh P. Turakhia .
B	Date of Birth	25/09/1942
C.	Date of Appointment	06/12/2002
D.	Expertise in specific functional areas	22 years Experience in yarn business
E.	Qualifications	D.E.E.
F.	Name of Companies in which directorship held as on 31 <sup>st</sup> March, 2010	-- NIL --
G.	Chairman/Member of the Committees of the Board of the other companies on which he is a Director as on 31 <sup>st</sup> March 2010.	---- NIL ----
H.	No. of equity shares of Rs.10/- each of the company held as on 31 <sup>st</sup> March 2010	500
I	Inter-se Relations among Directors	--- NIL ---

## CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with the 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 2009-2010, 6 Board Meetings were held on 27<sup>th</sup> April 2009, 30<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 11<sup>th</sup> September 2009, 26<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010.

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 A.G.M.	No of other Directorship (As on 31 <sup>st</sup> March, '10) in other companies	No of other Committees Membership	No of other Committees Chairman-ship
1.	Shri Jitendra K. Vakharia Managing Director	ED (P)	5	Yes	5	-----	-----
2.	Smt. Varsh J. Vakharia	NED (P)	5	Yes	5	-----	-----
3.	Shri Dinesh P. Turakhia	NED (I)	6	Yes	NIL	-----	-----
4.	Shri Kamlesh Sanghavi	NED (I)	6	Yes	1	-----	-----

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 2009-2010, 4 meetings of the committee were held as under:-  
30<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 26<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010.

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 C. 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 30<sup>th</sup> June 2009 which was attended by all 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 2009-2010 are given below:-

Name	Salary	Commission	Perquisites	Total	Tenure of years
Shri Jitendra K. Vakharia	Rs.240000/- p.a.	-----	-----	Rs. 240000/- p.a.	2

Notice period for the Managing Director is as applicable to the senior employee of the company. No service 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 31<sup>st</sup> March 2010 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.2500/-.

The number of equity shares of the company held by non-executive Directors as on 31<sup>st</sup> March 2010 are as follows:-

Shri D.P. Turakhia 500 equity shares, Shri K.C. Sanghavi - NIL and Smt. Vasha J. Vakharia 273320 equity shares.



## 5. Shareholders/Investors Grievances Committee

During the year Share Transfer Committee held 10 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 13<sup>th</sup> March, 2010. 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 the 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 one. All letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were no requests pending for dematerialisation as on 31<sup>st</sup> March 2010.

## 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
2008-2009	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	28 <sup>rd</sup> August 2009 at 11.30 A.M.
2007-2008	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	23 <sup>rd</sup> August 2008 at 4 .30 P.M.
2006-2007	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	14 <sup>th</sup> August 2007 at 4 P.M.

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

	AGM Date	Matter
(i)	28 <sup>th</sup> August 2009	Reappointment of Shri Jitendra K. Vakharia as Managing Director for 2 years
(ii)	23 <sup>rd</sup> August 2008	Nil
(iii)	14 <sup>th</sup> 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.

**Postal Ballot**

Ordinary Resolution u/s. 293(1)(a) of the Companies Act 1956 for sale, lease, transfer and/or otherwise dispose off company's closed manufacturing unit with building located at Mota Pondha, Taluka Kaprada, Valsad was passed by means of Postal Ballot on 24<sup>th</sup> October 2009. The Postal Ballot exercise was conducted by Shri M.M. Sheth, Practising Company Secretary. There were 2162989 (99.93%) votes in favour of Resolution and 1460 (0.07%) votes against the Resolution. The procedure for Postal Ballot adopted by the company was as per the provisions of S-192A read with companies (Passing of Resolution by Postal Ballot) Rules 2001.

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 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(I V) (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 31<sup>st</sup> March 2010."