

EVERLON  
SYNTHETICS  
LIMITED

22 ND  
ANNUAL REPORT  
(2010 - 2011)

ACCOUNTING YEAR ENDED  
31st MARCH 2011

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### 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  
IDBI BANK  
JANATA SAHAKHARI BANK LTD., PUNE

#### REGISTERED OFFICE

67, Regent Chambers,  
208, Nariman Point, Mumbai – 400 021.  
E-Mail : everlon@rediffmail.com  
[www.everlon.in](http://www.everlon.in)

#### 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.  
Unit-1, Luthra Ind. Premises, Safed Pool ,  
Andheri Kurla Road, Andheri (E), Mumbai – 400 072.  
Tel: 2851 5606/ 2851 5644 • Fax: 2851 2885  
E-mail : sharexindia@vsnl.com

### NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on Saturday, 13th August 2011 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 2011, 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.

### SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modifications the 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 5 years with effect from 1st October 2011 upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice”.

“RESOLVED FURTHER THAT Shri Jitendra K. Vakharia, 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, will be a non rotational Director and shall not be liable to retire by rotation during his term as 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 other statutory modifications thereof as may be agreed to by the Board of Directors and Shri Jitendra K. Vakharia.

“RESOLVED FURTHER THAT in case of loss or inadequate profit in any financial year during the tenure of Managing Director, he shall be paid the remuneration set out in Explanatory Statement as minimum remuneration”.

“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 the Board of Directors

— Sd —

**J. K. VAKHARIA**  
**MANAGING DIRECTOR**

Place : Mumbai  
Dated: 30th May 2011

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) Explanatory Statement in respect of Special Business is attached herewith.
- c) The Register of Members and Share transfer books of the Company will remain closed from Friday 5th August 2011 to Saturday 13th August 2011 (both days inclusive) for the purpose of Annual General Meeting.
- d) 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., Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai – 400 072. 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.
- e) 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.
- f) Green Initiative for Paperless Communications:  
The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. In accordance with recent circular bearing no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs (MCA), Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

As per the said MCA circular, the Company is attaching herewith E-Communication Registration Form /letter to Equity shareholders for providing advance opportunity to register their e-mail address with the Company or Depository Participant and changes therein from time to time.

Equity Shareholders holding shares in physical form can avail the said facility to enable the Company to send the notice/documents through electronic mode. They should download the form from the Company's website (www.everlon.in) and forward the same to Company's Registrar and transfer agents i.e. Sharex Dynamic (India) Pvt. Ltd., Unit: Everlon Synthetics Ltd., Unit-1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (E) Mumbai – 400 072. Tel: 2851 5506/2851 5644, Fax No: 2851 2855. The Shareholders holding shares in demat mode can register their e-mail address with their Depository Participant, in the event they have not done so earlier for receiving notices/documents through Electronic mode.

**Explanatory Statement pursuant to S. 173 of the Companies Act, 1956**

Reappointment of Shri Jitendra K. Vakharia as Managing Director (Item No.4 of Notice)

The present term of appointment of Shri Jitendra K. Vakharia as the Managing Director is valid upto 30th September 2011. The Board of Directors (the Board) of the company at their meeting held on 30th May 2011 have re-appointed him as the Managing Director for a further period of 5 years with effect from 1st October 2011 on following terms and conditions and payment of remuneration:

**Salary :** The Managing Director shall be paid monthly salary of Rs.40,000/- with yearly increments upto 10% to be decided by the Board of Directors.

**Perquisites :** The Managing Director shall be entitled to the following perquisites:

- (i) Company shall provide free of cost gas, water, electricity and furnishings at the residence of Managing Director.
- (ii) Medical Reimbursement for self and family subject to ceiling of one month's salary in a year.
- (iii) Leave Travel concession for self and family once in a year.
- (iv) Personal Accident Insurance of an amount the annual premium of which not exceed Rs.5000 p.a.
- (v) Provision of car for use on Company's business (use of car for private purpose shall be billed by the company).
- (vi) Telephone at residence, personal long distance calls shall be billed by the company.
- (vii) Managing Director shall also be entitled to Provident Fund, Superannuation and Gratuity.
- (viii) Reimbursement of all expenses incurred for the business of 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 to avail services of Shri Jitendra K. Vakharia as Managing Director. In case of loss or inadequacy of profit in any financial year, the Managing Director be paid above remuneration as minimum remuneration.

The Remuneration Committee of the Company at its meeting held on 30.05.11 has approved above reappointment and payment of remuneration to the Managing Director.

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

The Board recommends the Special Resolution for approval of members.

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.

Place : Mumbai  
Dated: 30th May 2011

**By order of the Board of Directors**  
— Sd —  
**J. K. VAKHARIA**  
**MANAGING DIRECTOR**

**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 Jitendra K. Vakharia	Smt. Varsha J. Vakharia
B. Date of Birth	10/05/1956	25/08/1958
C. Date of Appointment	19/12/1989	29/10/1999
D. Expertise in specific functional areas	33 years Experience in yarn business	Experience in yarn business
E. Qualifications	B.Sc.	M.A.
F. Name of Companies in which directorship held as on 31st March, 2011	Vakharia Synthetics P.Ltd. Omkar Texolene P.Ltd. Vakharia Financial Services .Ltd. Lasha Inv.& Trading Co.P.Ltd. Everest Yarn Agency Pvt.Ltd. Everlon Power Ltd.	Vakharia Synthetics P.Ltd. Omkar Texolene P.Ltd. Vakharia Financial Services Ltd. Lasha Inv.&Trading Co.P.Ltd. Everest Yarn Agency Pvt.Ltd. Everlon Power Ltd.
G. Chairman/Member of the Committees of the Board of the other companies on which he is a Director as on 31st March 2011.	— NIL —	— NIL —
H. No. of equity shares of Rs.10/- each of the company held as on 31st March 2011	506000	273320
I. Inter-se Relations among Directors	He is related to Smt. Varsha J.Vakharia	She is related to Shri Jitendra K.Vakharia

**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 2010-2011, 4 Board Meetings were held on 28th May 2010, 14th August 2010, 12th November 2010 and 12th February 2011.

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 31st March, '11) in other companies	No of other Committees Membership	No of other Committees Cheirmanship
1.	Shri Jitendra K. Vakharia Managing Director	ED (P)	4	Yes	6	————	————
2.	Smt. Varsh J. Vakharia	NED (P)	4	Yes	6	————	————
3.	Shri Dinesh P. Turakhia	NED (I)	4	Yes	NIL	————	————
4.	Shri Kamlesh Sanghavi	NED (I)	4	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 2010-2011, 4 meetings of the committee were held as under:-  
28th May 2010, 14th August 2010, 12th November 2010 and 12th February 2011.

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. No meeting of Remuneration Committee was held during the Financial Year, as there was no matter to be dealt with by the Committee.. The terms 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 2010-2011 are given below:-

Name	Salary	Commission	Perquisites	Total	Tenure of years
Shri Jitendra K. Vakharia	Rs.240000/- p.a.	————	————	Rs. 240000/- p.a.	2 years from 1/10/2009

Notice period for the Managing Director is as applicable to the senior employee of the company. No severance 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 2011 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

Shri D.P. Turakhia Rs.2000/-. Shri K.C. Sanghavi Rs.2000/- and Smt. Varsha J. Vakharia Rs.2000/-  
The number of equity shares of the company held by non-executive Directors as on 31st March 2011 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 17 meetings and a meeting of the shareholders/Investors Grievances Committee was also held on 19th March, 2011. 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 3 requests for 800 equity shares pending for dematerialisation as on 31st March 2011. The same was completed by 10th April 2011.

**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
2009-2010	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	14th August 2010 at 11.30 A.M.
2008-2009	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	28th August 2009 at 11 .30 A.M.
2007-2008	67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.	23rd August 2008 at 4 .30 P.M.

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

AGM Date	Matter
(i) 14th August 2010	Nil
(ii) 28th August 2009	Reappointment of Shri Jitendra K. Vakharia as Managing Director for 2 years
(iii) 23rd August 2008	Nil

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).

The results will also be displayed on Company's website at [www.everlon.in](http://www.everlon.in).

**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 31st March 2011."

**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 2011, 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**  
(Firm Regn No. 128274W)

— Sd —

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

Place: Mumbai

Dated: 30th May 2011



**INFORMATION FOR SHAREHOLDERS****1. Annual General Meeting:-**

Day, Date & Time : Saturday, 13th August 2011, at 11.30 A.M.  
Venue: 67, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.

**2. Financial Year :** 1st April 2011 to 31st March 2012**3. Book Closure Dates on account of Annual General Meeting:**

Friday 5th August 2011 to Saturday 13th August 2011 (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.

**5. STOCK CODES****Name of the Stock Exchange**

The Stock Exchange, Mumbai  
The Ahmedabad Stock Exchange

**Stock Code**

514358  
16730

**6. Market Price Data**

Share prices at Bombay Stock Exchange Ltd., during the year 2010-11 for one equity share of Rs.10/- each are as under:-

Month	SHARE PRICE (RS.)	
	High	Low
April, 2010	13.09	10.50
May, 2010	13.30	10.21
June, 2010	14.33	9.85
July, 2010	14.50	12.35
August, 2010	13.72	12.25
September, 2010	13.50	11.46
October, 2010	13.80	12.00
November, 2010	13.85	12.00
December, 2010	14.20	11.55
January, 2011	13.38	11.24
February, 2011	12.83	10.01
March, 2011	14.51	11.30

**7. REGISTRAR AND SHARE TRANSFER AGENTS**

Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Ind. Premises, Safed Pool ,  
Andheri Kurla Road, Andheri (E),  
Mumbai – 400 072.  
Tel: 2851 5606/ 2851 5644  
Fax: 2851 2885 E-mail : sharexindia@vsnl.com

**8. Share Transfer System**

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

**9. 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.

**10. Distribution of Shareholding as on 31st March 2011**

Size of Holdings	No of Holders	% of Holders	No. of Shares	% of Shares
Up to 100	557	19.00	48141	0.95
101 to 200	1430	48.77	285137	5.65
201 to 500	573	19.54	226194	4.48
501 to 1000	201	6.86	161513	3.20
1001 to 5000	126	4.30	297796	5.90
5001 to 10000	12	0.41	81971	1.62
10001 to 100000	18	0.61	612551	12.14
100001 to Above	15	0.51	3332297	66.04
<b>Total</b>	<b>2932</b>	<b>100.00</b>	<b>5045600</b>	<b>100.00%</b>

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2011**

Category	No. of Shares held	% of Shareholding
Indian Promoters	2773306	54.965
Banks	300	00.006
Private Corporate Bodies	111699	2.214
Indian Public	1692638	33.546
NRI's / OCB's	467657	9.269
<b>Total</b>	<b>5045600</b>	<b>100%</b>

**11. Dematerialisation of Shares & liquidity**

As at 31st March, 2011, 88.88% of total equity shares of the company were held in dematerialized 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 dematerialisation form. The shares are available for dematerialisation under ISIN INE 339D01018. The request for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

**12. Outstanding GDRs/ ADRs/Warrants/Convertible Instruments :**

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

**13. Plant Locations :**

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

**14. Address for correspondence****Registered Office :**

67, Regent Chambers,  
208, Nariman Point,  
Mumbai – 400 021.  
Tel: 2204 9233, 2204 2788  
Fax: (022) 2287 0540  
Email: everlon@rediffmail.com  
Website:- www.everlon.in

**EVERLON SYNTHETICS LIMITED  
DIRECTOR'S REPORT**

To,  
The Members,  
The Board of Directors present the 22nd Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2011 along with the cash flow statements:

**1. OPERATIONS AND FINANCIAL RESULTS**

	<b>Year Ended 31/03/2011 ( Rs. In Lacs)</b>	<b>Year Ended 31/03/2010 (Rs. in Lacs)</b>
Sales	2620.13	799.30
Other Income	8.59	108.51
Profit / (Loss)/for the year before Depreciation & Tax	120.33	139.81
Less : Depreciation	54.62	39.16
Profit/(Loss) before Tax	65.71	100.65
Less : Provision for Tax	13.00	2.25
Profit after tax	52.71	98.40
Add/(Less): Provision for Diminution in value of Investment	4.45	0.16
Less: Prior Period adjustment	0.00	0.00
Profit/ (loss) for the year	57.16	98.56
Loss Brought forward from previous year	(404.74)	(503.30)
	<hr/>	<hr/>
Profit/ (Loss) carried to Balance Sheet	(347.57)	(404.74)
	=====	=====

**2. PERFORMANCE**

During the year under review the company has installed 2 additional texturising machines. The company has produced 2649.73 tons against 875.10 tons during the previous year resulting in sales turnover of Rs.2620.13 lacs as against Rs. 799.30 lacs during the previous year.

**3. DIVIDEND**

Directors do not recommend any dividend due to the accumulated losses suffered by the company.

**4. DIRECTORS**

Smt. Varsha J. Vakharia retires by rotation and being eligible offers herself for reappointment.

**5. AUDITORS**

M/s. Poladia & Co. Chartered Accountant have given their consent for re-appointment for F. Y. 2011-2012. Members are requested to re-appoint them.

**6. 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.

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

It is hereby confirmed that in respect of Financial Year ended on 31/03/2011.

- In the preparation of annual accounts, the applicable accounting standards have been followed.
- The Directors have selected such accounting policies and applied them consistently and made judgments 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 31/03/2011 and of the profit of the company for that period.
- The Directors have 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.
- The Directors have prepared the Annual Accounts on a going concern basis.

**8. AUDITORS REPORT**

Auditors notes and observations are self explanatory and do not call for any further comments.

**9. CORPORATE GOVERNANCE**

Pursuant to clause 49 of The Listing Agreement with the Bombay Stock Exchange, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors Certificate regarding compliance of Corporate Governance are made a part of the Annual Report.

**10. SUBSIDIARY COMPANY**

Everlon Power Ltd., has been incorporated on 31st December 2010 as a Wholly Owned Subsidiary of the company for undertaking power/energy business.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, and other documents of the subsidiary company is being attached with the Balance Sheet of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

The Statement giving particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is Annexed hereto as Annexure 1.

**12. DEPOSITS**

The Company has not accepted any Deposits from the Public.

**13. 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 —

**J. K. VAKHARIA  
MANAGING DIRECTOR**

**V. J. VAKHARIA  
DIRECTOR**

Place : Mumbai  
Dated : 30th May 2011