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EVERLON SYNTHETICS LIMITED
Registered Office :
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Mumbai - 400 021.

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EVERLON SYNTHETICS LIMITED

*25th
Annual Report
2013-2014*

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EVERLON SYNTHETICS LIMITED

CIN L17297MH1989PLC052747

BOARD OF DIRECTORS

SHRI JITENDRA K. VAKHARIA (DIN 00047777)	MANAGING DIRECTOR
SMT VARSHA J. VAKHARIA (DIN00052361)	DIRECTOR
SHRI DINESH P. TURAKHIA (DIN00063927)	DIRECTOR
SHRI KAMLESH C. SANGHAVI (DIN00644642)	DIRECTOR

AUDITORS**M/s. POLADIA & COMPANY**

(Chartered Accountants)

C-81, Anant Chhaya, 353/3 R B Mehta Marg
Ghatkopar (E), MUMBAI – 400 077.**BANKERS**JANATA SAHAKHARI BANK LTD., PUNE
INDIAN OVERSEAS BANK
IDBI BANK**REGISTERED OFFICE**67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.
E-Mail: everlon@rediffmail.com • 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 Twenty-fifth Annual General Meeting of the Shareholders of EVERLON SYNTHETICS LIMITED (CIN : L17297MH1989PLC052747) will be held on Thursday, 21st August, 2014, at Kilachand Conference Room, 3rd Floor, Indian Merchants Chambers, Churchgate, Mumbai - 400 020 at 3.00 p. m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Audited Statement of Profit and Loss Account for the year ended 31st March, 2014 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Varsha J. Vakharia who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. POLADIA & CO. (ICAI Regn.No.128274W), Chartered Accountants as Statutory Auditors and to fix their remuneration

SPECIAL BUSINESS

4. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of Section 61 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013, the Authorised Share Capital of the Company be increased from Rs. 6,00,00,000/- (Rupee six Crores Only) divided into 6,00,00,000 (Six Crores Only) Equity Shares of Rs.1/- each to Rs. 10,00,00,000 (Rupees Ten Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 1/- each by creation of 4,00,00,000 (Four Crores) Equity Shares of Rs.1/- ranking pari passu with the existing equity share in all respects

“RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to pursue the matter and to perform all necessary acts, deeds and things to give effect to above resolution.”

5. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of Section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013, Capital Clause V of the Memorandum of Association of the Company be deleted and in its place the following clause V be substituted:

Clause V

The Authorised Share Capital of the Company is Rs. 10, 00, 00,000 (Rupees Ten Crores Only) divided into 10, 00, 00,000 (Ten Crores) Equity Shares of Re. 1/- each” Capable of being increased or reduced in accordance with the company's regulations and legislative provisions for the time being in force in that behalf and also with the power to increase and reduce the said capital of the Company and to divide the said shares in the capital for The time being into several classes and to attach thereto respectively the said preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Article of Associations of the company for the time being and to vary, modified,

or abrogate such rights, privileges or conditions. In such manner as may be permitted by Law or provided by the Article of Association for the time being of the company.

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, if any the Articles of Association of the Company, be and are hereby altered by deleting existing Article No.3 and substituting in its place following Article No. 3:

3. The Authorised Share Capital of the company is Rs.10, 00, 00,000 (Rupees Ten Crores) divided into 10, 00, 00,000 (Ten Crores) Equity Shares of Re.1/- (Rupee one only) each.

7. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of Companies Act, 2013 if any and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Dinesh P. Turakhia (DIN: 00063927) in respect of whom the company has received notice U/s 160 of the Act with necessary deposit proposing his candidature for office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March 2019”

8. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of Companies Act, 2013 if any and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of listing Agreement Mr. Kamlesh C. Sanghavi (DIN: 00644642) in respect of whom the company has received notice U/s 160 of the Act with necessary deposit proposing his candidature for office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March 2019”

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Equity Shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges,

expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs. 50 Crores or the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, whichever is higher”.

10. 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 Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013, if any the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, subject to requisite approvals, if any, as may be required from any of the concerned authorities to borrow money, from time to time, at its discretion either from the Company's bankers or any other bank, financial institution or any other lending institutions or persons (including Foreign Institutional Investors, Non Resident Individuals, Associations and Corporate Bodies) on such terms and conditions as may be considered suitable by the Board upto a limit not exceeding in the aggregate Rs.50 Crores (Rupees Fifty Crores only) notwithstanding that the money to be borrowed together with the money's already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit”.

By order of the Board of Directors

For Everlon Synthetics Limited

— sd —

(J. K. Vakharia)

Managing Director

Din :- 00047777

Place :- Mumbai

Date :- 30th May 2014

NOTES1.

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. A Proxy shall not have the right to speak at the meeting and shall not be entitled to vote at the meeting except on a poll.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 wherever applicable is attached and forms part of this Notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday 13th August, 2014 to Thursday 21st August, 2014 (both days inclusive).
- 5 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 at least 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.
- 6 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.
- 7 Disclosure under Clause 5A (II)
Certain share certificates were returned undelivered, when Registrars and Share Transfer Agents posted Share Certificates in December 2012 of the changed face value of Re.1/- each on account of Demerger of Investment business of the company.
The company is in the process of finalizing details of unclaimed shares in consultation with companies registrar and shares transfer agent M/s Sharex Dynamic India Private Limited.
- 8 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.
This is an opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.
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 Section 102 of the Companies Act, 2013)**

The following explanatory statement sets out the material facts relating to Item No.4 to 11 of the Notice.

ITEM NO. 4, 5 and 6

Considering the present and future requirement of funds for the purpose of business of the company, it is proposed to increase the Authorised Share Capital from the existing Re. 6,00,00,000 to Re 10,00,00,000 divided in to 10,00,00,000 Equity Shares of Re.1/- each by creation of 4,00,00,000 Equity shares of Re.1/- each. The necessary special resolution is proposed at item No. 4 of the Notice for your approval

Consequent to increase in Authorised Share Capital of the Company the Capital clause V as appearing in the Memorandum of Association of the Company and Article no 3 of the Articles of the Association will also get changed and hence the necessary resolutions are proposed at item No. 5 and 6 of the Notice for your approval.

The Members are requested to pass these resolutions in the best interests of the Company.

Boards recommend the Special resolutions at item no 4, 5 & 6 for approval of members

None of other Directors, Key Managerial Personnel or their relatives are concerned or interested in these resolutions.

ITEM NO. 7 and 8

Mr. Dinesh Turakhia and Mr. Kamlesh Sanghavi are Independent Directors of the Company. They have vast experience and are experts in their respective fields. They both are also the committee Members of Audit committee, and Remuneration Committee of the company. In addition Mr. Dinesh Turakhia is also member of Shareholder / Investors Grievances Committee of the company

In the opinion of the Board these Directors fulfill the conditions of Companies Act, 2013 and rules thereunder for their appointment as Independent Directors of the Company and are independent of the Promoter of the Company. Copy of the draft of Letter of appointment to be issued to them is available for inspection at the registered office of the Company without any fee to Members of the Company.

The company has received notice in writing from members of the company with necessary deposits proposing candidature of Mr.Dinesh P.Turakhia and Mr.Kamlesh C.Sanghavi as directors of the company.

The Board recommends these resolutions as mentioned at item No. 7 & 8 of the Notice for approval of members

Except Mr. Dinesh Turakhia and Mr. Kamlesh Sanghavi none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested in these resolutions. The Explanatory Statement may be regarded as disclosure under Clause 49 of the Listing Agreement with the stock exchange.

ITEM NO. 9 and 10

As per the new provisions of the Companies Act, 2013 every Company is required to pass the resolutions under Section 180 of the Companies Act, 2013 for creation of charge on the assets of the Company and also for borrowing in excess of paid up capital and free reserves of the Company. The resolutions passed under the erstwhile provisions of Companies Act, 1956 are valid till 12th September, 2014. In view of same your Directors propose the Special resolutions under Section 180 (1) (a) and Section 180 (1) (c) of the Companies Act, 2013.

It is proposed to authorised Board of Directors to borrow funds for the purpose of business of the company upto Re.50.00 Crores (Rupees Fifty Crores) and also to create charge/ mortgage/ etc in favor of banks / financial institution/ lenders

The Special Resolutions under Item Nos. 9 & 10 are for obtaining the consent of the shareholders for this purpose. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within a reasonable limit.

The Board recommends the Special Resolutions at item no 9 and 10 for approval of members

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in these resolutions.

**By order of the Board of Directors
For Everlon Synthetics Limited**

— sd —
(J. K. Vakharia)
Director
Din :- 00047777

Place :- Mumbai
Date :- 30th May 2014

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 (DIN : - 00052361)
B	Date of Birth	25/08/1958
C.	Date of Appointment	29/10/1999
D.	Expertise in specific Functional areas	General Administration since last 10 years
E.	Qualifications	M.A.
F.	Name of Companies in which Directorship held as on 31st March 2014	Vakharia Power Infrastructure Ltd., Vakharia Synthetics Pvt.Ltd., Omkar Texolene Pvt.Ltd, Vakharia Financial Services Ltd., Everlon Solar Energy Pvt. Ltd., Everlon Power 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 31 st March 2014.	---- NIL ----
H.	No. of equity shares of Rs.1/- each of the company held as on 31 st March 2014	16, 39,920
I	Inter-se Relations Among Directors	She is related to Shri Jitendra K. Vakharia, Managing Director of the company

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 Kamlesh C. Sanghvi (Din 00644642)	Shri Dinesh P. Turakhia (Din 00063927)
B.	Date of Birth	17/12/1959	25/09/1942
C.	Date of Appointment	31/07/2006	06/12/2002
D.	Expertise in specific functional areas	28 years in profession	25 years experience in Yarn Business
E.	Qualifications	Chartered Accountants	D.E.E.
F.	Name of Companies in which Directorship held as on 31st March 2014	Kans Trading Co. Pvt. Ltd. Vakharia Power Infrastructure Ltd. Assets Resolutions Services India Private Ltd.	Vakharia Power Infrastructure Ltd.
G.	Chairman / Member of the Committees Board of the other Companies on which he is a Directors as on 31st March 2014	Nil	Nil
H.	No. of equity shares or Rs. 1/- each of the company held as on 31st March 2014	Nil	3000
I. \	Inter-se Relations Among Directors	---	---

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 2013-2014, 4 Board Meetings were held on 30th May 2013, 10th August 2013, 28th October 2013 and 4th January 2014.

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, '14) in other * companies	No of other Committees Membership	No of other Committees Chairman-ship
1	Shri Jitendra K. Vakharia (Din :- 00047777)	ED (P)	4	Yes	7	----	----
2	Smt. Varsha J. Vakharia (Din :- 00052361)	NED (P)	4	Yes	7	----	----
3	Shri Dinesh P. Turakhia (Din :- (00063927)	NED (I)	4	Yes	1	----	----
4	Shri Kamlesh Sanghavi (Din :- 00644642)	NED (I)	4	Yes	3	----	----

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 2013-2014, 4 meetings of the committee were held as under:-

30th May 2013, 10th August 2013, 28th October 2013 and 4th January 2014.

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. The Committee's composition meets requirements of Section 177 of Companies Act 2013 and Clause 49 of the Listing Agreement.

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 were no matters requiring approval of the committee. The Committee has been renamed as Nomination and Remuneration Committee as required u/s. 178 of the Companies Act 2013. The Committee's constitution and terms of reference are in compliance with the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges. The Managing Directors remuneration details for the financial year 2013-2014 are given below:-

Name of the Director	Salary	Commission	Perquisites	Total (years)	Tenure
Shri Jitendra K.Vakharia	Rs.480000/-p.a.	--	--	Rs.480000/p.a.	5 years from 01/10/2011

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 2014 to the non-executive Directors for attending the Board/Committee meetings are as follows:-

Shri Dinesh P.Turakhia -Rs.2000/-, Shri Kamlesh .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 2014 are as follows:-

Shri Dinesh .P. Turakhia holds 3000 equity shares,

Shri Kamlesh .C. Sanghavi - NIL

Smt. Vasha J. Vakharia holds 1639920 equity shares

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 8th March, 2014. The Composition of the Committee is as under:-

Sr. No.	Name	Designation	Category
1	Shri Dinesh P Turakhia	Chairman	NED (I)
2	Shri Jitendra K. Vakharia	Member	ED(P)
3	Shri Kamlesh C.Sanghavi.	Member	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.

SEBI Complaints Redress Systems (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.