

**EVERLON SYNTHETICS LIMITED**  
**DIRECTOR'S REPORT**

To,  
The Members,  
The Board of Directors present their 29<sup>th</sup> Annual Report together with Financial Statements for the year ended 31<sup>st</sup> March, 2018.

**1. OPERATIONS AND FINANCIAL RESULTS**

	<b>Year Ended 31/03/2018 (Rs. in Lakhs)</b>	Year Ended 31/03/2017 (Rs. in Lakhs)
Sales	3668.34	3922.71
Other Income	9.59	7.38
Profit for the year before Depreciation, Exceptional Items & Tax	51.12	39.41
Less : Depreciation	22.31	21.99
Profit before Tax	28.81	17.42
Less : Provision for Tax	6.00	3.50
Profit after tax	22.81	13.92
Tax adjustments for earlier years	0.07	(0.40)
Profit for the year	22.87	13.52
Profit – (Loss) Brought forward from Previous Year	(54.84)	(68.36)
Profit/ (Loss) carried to Balance Sheet	(31.97)	(54.84)

**2. PERFORMANCE**

Your Company has managed to achieve reasonable good performance during the year in spite of difficult market conditions.

The company has produced 3808.95 tons against 4137.81 tons during the previous year resulting in sales turnover of Re.3668.34 lakhs as against Re.3922.71 lakhs during the previous year.

**3. DIVIDEND**

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

**4. DIRECTORS & KEY MANAGERIAL PERSONNEL**

**A) Changes in Directors and Key Managerial Personnel**

Mrs. Varsha Jitendra Vakharia (DIN: 00052361), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks reappointment pursuant to Section 152 of the Companies Act, 2013

**B) Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, of individual Directors as well as the evaluation of the working of all Committees.

**C) Declaration by an Independent Director(s)**

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

**5. AUDITORS :**

The appointment of M/s. K.S. Maheshwari & Co., Chartered Accountants, Member, Statutory Auditors of the Company, is valid upto conclusion of ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment. Directors recommend their re-appointment as Statutory Auditors of the Company.

**6. DEPOSITS :**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

The details required are given in the notes to the financial statements.

**8. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act 2013, Directors of your Company hereby state and confirm that :-

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards, have been followed and there are no material departures from the same.
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the Company as at March 31, 2018 and of the profit of the company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**9. AUDITORS REPORT**

Auditors notes are self-explanatory and do not call for any further comments. There are no qualifications in Auditors Report. There are no frauds reported by Auditors u/s.143(12) of the Companies Act 2013.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the Act, are provided in **Annexure A** to this report.

**11. DETAILS OF COMMITTEES OF THE BOARD**

The Board has constituted the Audit Committee, Nomination and Remuneration Committee and Stakeholders'

Relationship Committee. The Composition of aforesaid committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules made under and Listing / Regulations, are as follows:

**A. Audit Committee:**

The Audit Committee comprises of two Independent Directors namely Shri Dinesh P. Turakhia, Chairman and Shri Nitin I. Parekh and also Shri Jitendra K. Vakharia Managing Director as member. All recommendations made by the Audit Committee were accepted by the Board.

Details of establishment of vigil mechanism for directors and employees:

The Company has established vigil mechanism pursuant to Section 177(9) of the Companies Act, 2013 for Directors and Employees to report their concerns and has also taken steps to safeguard any person using this mechanism from victimization and in appropriate and exceptional cases, there is direct access to approach Mr. Dinesh P. Turakhia, Chairperson of the Audit Committee.

**B. Nomination and remuneration committee:**

The Board has constituted Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013. Mr. Dinesh P. Turakhia, Independent Director is the Chairman of the said Committee and Mr. Nitin I. Parekh, Independent Director and Mrs. Varsha J. Vakharia, Director are the members of the Committee. The Committee has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and other employees.

**C. Stakeholder's Relationship Committee:**

The Stakeholder's Relationship Committee comprises of Mr. Dinesh P. Turakhia, Independent Director as the Chairman of the Committee and Mr. Jitendra K. Vakharia, Managing Director and Mrs. Varsha J. Vakharia, Director as the members of the Committee. The role of the Committee is to consider and resolve securities holders' complaints. The complaints are responded resolved within the time frame provided.

**12. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

The Board has appointed M/s. A. M. Sheth & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2017-18, as required u/s.204 of the Companies Act, 2013 and the rules framed thereunder. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure B** to this Report, The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**13. MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors duly met 5 times during the financial year from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March 2018. The dates on which the meetings were held are as follows:- 29<sup>th</sup> May 2017, 4<sup>th</sup> July 2017, 14<sup>th</sup> August 2017, 5<sup>th</sup> December 2017 and 27<sup>th</sup> January 2018.

**14. EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure C** to this Report.

**15. RISK MANAGEMENT PLAN**

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks facing business. There are no risks which threaten the existence of the company.

**16. CORPORATE SOCIAL RESPONSIBILITY**

Provisions of section 135 of the Companies Act, 2013 are not applicable to the company.

**17. CORPORATE GOVERNANCE**

The Company is adhering to good corporate governance practices in every sphere of its operations. The corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company as company's paid up capital is less than Rs.10 crores and net worth is less than Rs. 25 crores. Management Discussions and Analysis Report is attached herewith as **Annexure D**

**18. CONTRACTS U/S. 188**

All contract/arrangements / transactions entered by the company during the financial year with related parties were in ordinary course of business and on an arm's length basis. Form AOC2 giving details of contract is attached herewith as **Annexure E**.

**19. INTERNAL FINANCIAL CONTROL**

Adequate internal controls, systems, and checks are in place, commensurate with the size of the Company and the nature of its business.

**20 DIRECTORS REMUNERATION**

Remuneration policy for Directors, Key Managerial Persons and other employees is attached herewith as **Annexure F**.

Particulars of Directors Remuneration as required u/s. 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are attached herewith as **Annexure G**.

**21. CODE OF CONDUCT**

Declaration by Managing Director under Para D of Schedule V of Listing Regulations 2015.

"I hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and Senior Management."

**22. CONSOLIDATION OF SHARE CAPITAL**

The Company's Equity Share Capital has been consolidated from Rs.1/- per share to Rs.10/- per share as approved by the Members of the Company at the last Annual General Meeting of the Company held on 8<sup>th</sup> September, 2017. The trading of the Company's Equity Share in the new denomination of Rs.10/- commenced at BSE Ltd from 31/10/2017 with new ISIN No.

**23. EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT UNDER REGULATION 39 AND SCHEULDE VI OF LISTING REGULATIONS**

Details of Equity shares in Unclaimed Suspense Account under Regulations 39 and Schedule VI are as follows

Description	No. of Records	No of Equity Shares of Rs.10/- each *
No. of shareholders and outstanding shares at the beginning of the year	433	72,720
No. of shareholder's request received for transfer of shares during the year	1	300
No. of shareholders to whom shares transferred During the year	1	300
No. of shareholders and outstanding shares at the end of the year	432	72,420

The voting rights on the above shares shall remain frozen till the rightful owner of such shares claim the shares.

\* In terms of special resolution passed by members at 28<sup>th</sup> AGM held on 8<sup>th</sup> Sept.2017, the equity share of Re 1/- per share has been consolidated to Rs.10/- per share.

**24. GENERAL DISCLOSURES**

No disclosure is required in respect of following matters:-

- Subsidiary Associate or Joint Venture Company.
- Material orders passed by the Regulators, or Courts or Tribunals.
- Equity shares with differential rights.
- Sweat equity shares.
- Employee Stock Options Scheme.

(f) Particulars of Employees. (no employee is in receipt of remuneration of Rs. 1.02 crore p.a. or Rs. 8.50 lakhs per month.)

(g) Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013. (No cases filed).

## 25 ACKNOWLEDGEMENT

The Directors wish to place on record appreciation for the efforts put in by all the employees of the Company. They are thankful to Company's Bankers for the support extended to the company.

**For and on behalf of the Board of Directors**

**Sd/-  
J.K. Vakharia  
Managing Director  
(DIN 00047777)**

**Sd/-  
V. J. Vakharia  
Director  
(DIN 00052361)**

**Place:- Mumbai**

**Date:- 22<sup>nd</sup> May, 2018**