

NOTE 26 - Other Expenses

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Repairs & Maintenance		
-Plant & Machinery	1199365	1596725
-Others	578405	368530
Manufacturing Expenses	3494712	3198730
Auditor Remuneration	75000	75000
Bank charges & commission	9640	12179
Commission Paid on Sale	74981	376328
Director Remuneration	600000	540000
Director Sitting Fees	19500	8000
Insurance	134866	48031
Legal & Professional Fees	505000	647050
Power & Fuel	17987034	22621059
Postage, Telephone & Telegram Expenses	222808	215786
Printing & Stationery	89437	88676
Rent Paid	300000	300000
Loss on Sale of Shares	-	305293
Conveyance & Travelling Expenses	122195	167816
Vehicle Expenses	237528	189434
Miscellaneous Expenses	2034057	1543939
TOTAL	27684528	32302576

NOTE : 27**Notes Forming Part of the Financial Statements****1. Corporate Information**

Everlon Synthetics Ltd., (Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchanges in India. The registered office of the company is located at 67, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.

The Company is principally engaged in the business of Polyester Yarn.

The financial statements were authorised for issue in accordance with a resolution for the board of directors on May 22, 2018.

2. Significant Accounting Policies**2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards (Ind AS) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS.

These financial statements are prepared on accrual basis under the historical cost convention.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from sale of goods is recognized upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales include excise duty but exclude Sales Tax/ VAT/GST. It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

Dividend

Revenue is recognized when the Company's right to receive the payment is established, which generally when shareholders approve the dividend.

Other Income

Other income is accounted for on accrual basis except where the receipt income is uncertain.

2.3 Property Plant & Equipment

Freehold land is stated at cost and not depreciated. Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss.

Depreciation

Depreciation on Fixed Assets other than Land & Plant and Machinery is provided as per written down value based on useful life of Assets as per part 'C' of Schedule II of companies Act, 2013.

In case of Plant and Machinery, Company has provided Depreciation on Straight Line method based on useful life of Assets as per part 'C' of Schedule II of the Companies Act, 2013.

No Depreciation has been provided on assets sold / discarded during the year.

Impairment of Assets.

If internal / external indications suggest that an asset of the company may be impaired, the recoverable amount of asset/ cash generating unit is determined on the Balance Sheet date and it is less than its carrying amount of the asset / cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use of such assets / cash generating unit, which is determined by the present value of the estimated future Cash Flows.

2.4 Valuation of Inventories

- | | | |
|----|---------------------------|--|
| 1) | Raw Materials, Consumable | At Cost and other expenditure incurred inclusive of excise duty to bring the inventories to its present location and conditions. Cost is determined on FIFO basis. |
| 2. | Work-in-progress | At Cost of material and labour together with relevant factory overheads. |
| 3. | Finished Goods | At Cost of material and labour together with relevant factory overheads (inclusive of excise duty) or net realizable value whichever is lower |
| 4. | Stock –in Trade (Shares) | Valued at cost. |

2.5 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the financial assets and liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial asset and financial liabilities (other than financial assets and liabilities carried at fair value through profit or loss) are added or deducted from the fair value measured on initial recognition of financial asset or financial liability.

2.6 Financial Assets.

Classification and Measurement

All the financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial asset (other than financial assets carried at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Subsequent measurement of a financial assets depends on its classification i.e. financial assets carried at amortised cost or fair value (either through other comprehensive income or through profit or loss). Such classification is determined on the basis of Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's financial assets primarily consists of cash and cash equivalents, trade receivables, loans to employees and security deposits etc. which are classified as financial assets carried at amortised cost.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired . Interest income from these financial assets is recognised using the effective interest rate method.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company provides for lifetime expected credit losses recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

2.7 Employee Benefits

Provision for gratuity is made in accounts assuming that all the employee retire at the end of the year.

The Company has carried out actuarial valuation of Retirement Benefits during the year.

2.8 Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961, The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

The Company has not recognised “Deferred Tax Assets” as required by Accounting Standard 22. Accounting for Taxes on Income” issued by Institute of Chartered Accountants of India as Company is not certain that sufficient taxable income will be available against which such “Deferred Tax Assets” can be realised.

Current tax for the year

Current tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.10 Contingent Liability

Contingent liabilities are not provided for in the accounts and are disclosed separately in Notes on Accounts.

2.11 Segment Report

During the year, the Company has only one reportable segment, i.e. Textiles. (manufacturers of Polyester Texturised Yarn.) Hence separate segment report as required under accounting standard 17 is not presented.

2.12 Cash & Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short –term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.13 Cash Dividend To Equity Holders

The Company recognises a liability to make cash distribution to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3. Significant Accounting Judgements, Estimates And Assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Sales returns

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Company needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Company has made provision based on the historical sales return.

Impairment of financial assets

The Company recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full time expected credit losses.

Income Taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions.

3.1 Related Party Disclosures (As identified by the Management)

- i) Related Party Relationships
 - (a) Where control exists
 - 1) Everest Yarn Agency Pvt. Ltd.
 - 2) Teekay International
 - (b) 100% Subsidiary NIL
 - (c) Key Management Personnel Mr. Jitendra K. Vakharia
Mrs. Varsha J. Vakharia
 - (d) Relative of Key Management Personnel NIL
 - (e) Other related Parties NIL
- ii) Transactions with Related Parties

Type of Parties	Description of of the nature of the transaction	Volume of Trans. 2017-18	2017-18 Outstanding		Volume of Trans. 2016-17	2016-17 Outstanding	
			Receivable	Payable		Receivable	Payable
Where Control Exists	1) Loans	-----	-----	-----	1469969	-----	-----
	2) Rent Paid	300000	-----	-----	300000	-----	2250000
Key Managerial Personnel	1) Director's Remuneration and Sitting Fees	619500	-----	-----	548000	-----	-----
	2) Loans	10367948	-----	-----	12359132	-----	-----

3.2 Earnings per share

	Year Ended March 2018	Year Ended March 2017
Profit / (Loss) attributable to the equity shareholders (Rupees)	2287818	1352400
Number of Equity Shares Outstanding during the year	5622240	5622240
Nominal value of Equity Shares (Rupees per Share)	10	1
Basic/diluted earnings per share on face value of Rs.10/- Each. (Previous Year Re.1/-)	0.41	0.02

3.3 Auditors Remuneration

	Year Ended March 2018	Year Ended March 2017
Audit Fees	75000	75000
Taxation Matters	-	-
Certification Work	15000	15000
	90000	90000

- 3.4 a) The amount shown in Trade Payable, and Discount Receivables from Sundry Creditors under various heads are subject to confirmations.
- b) The amount shown under Trade receivable under various heads are subject to confirmation.
- 3.5 In the opinion of the Board, Current Assets, Loans and Advances are approximately of the same value as stated in the Balance Sheet if realised in the ordinary course of business.
- 3.6 There are no Micro, Small and Medium Enterprises, as defined in Micro, Small, Medium Enterprises Development Act to whom the Company owes on account of principal amount together with interest and accordingly no additional disclosures have been made.
- 3.7 Previous year's figures have been regrouped, rearranged or recast wherever considered necessary, so as to make them comparable with current year figures.

**As per our report of even date
for K .S. MAHESHWARI & CO.
CHARTERED ACCOUNTANTS
(FIRM REGN NO.105846W)**

**Sd/-
K. S. MAHESHWARI
(PARTNER)
M.No.39715**

**Place : Mumbai
Date : 22nd May, 2018**

For and on behalf of the Board of Directors

**Sd/-
S.S.GUPTA
Company Secretary**

**Sd/-
P.K.PAREEK
Chief Financial Officer**

**Sd/-
J. K. VAKHARIA
Managing Director
(DIN00047777)**

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