

# **FILATEX INDIA LIMITED**

(AN ISO 9001 : 2000 COMPANY)

**19<sup>TH</sup> ANNUAL REPORT  
2008-2009**

**BOARD OF DIRECTORS**

Ram Avtar Bhageria  
Chairman

Madhu Sudhan Bhageria  
Vice Chairman & Managing Director

Purrshottam Bhaggeria  
Joint Managing Director

Madhav Bhageria  
Joint Managing Director

B.B. Tandon

S.C. Parija

S.P. Setia

Vibhu Bakhru

**COMPANY SECRETARY**

Sanjeev Gupta

**BANKERS**

Union Bank of India  
Punjab National Bank  
Oriental Bank of Commerce

**AUDITORS**

Amod Agrawal & Associates  
D-58, East of Kailash  
New Delhi - 110 025

**REGISTERED OFFICE**

S. No. 274, Demni Road,  
Dadra - 396 191  
(U.T. of Dadra & Nagar Haveli)

**CORPORATE OFFICE**

42, Community Centre,  
New Friends Colony,  
New Delhi - 110 025

**WORKS**

A-2, Extension,  
Phase - II (Noida),  
Distt. Gautam Budh  
Nagar - 201 304 (U.P.)

S. No. 274, Demni Road,  
Dadra - 396 191  
(U.T. of Dadra & Nagar Haveli)

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**NOTICE**

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of FILATEX INDIA LIMITED will be held as scheduled below:

**DAY : FRIDAY**  
**DATE : 25TH SEPTEMBER, 2009**  
**TIME : 9.30 A.M.**  
**PLACE : SURVEY NO.274, DEMNI ROAD, DADRA**  
**(U.T. OF DADRA & NAGAR HAVELI) 396 191**

to transact the following business(es):

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet of the Company as at March 31, 2009 and the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri S.P.Setia, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Purrshottam Bhaggeria, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION: -

“RESOLVED THAT Shri Vibhu Bakhru who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company”.

By Order of the Board of Directors  
For **FILATEX INDIA LIMITED**

PLACE : NEW DELHI  
DATE : 31<sup>st</sup> July, 2009

**SANJEEV GUPTA**  
COMPANY SECRETARY

REGISTERED OFFICE:  
Survey No.274, Demni Road, Dadra  
(U.T. of Dadra & Nagar Haveli) 396 191



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 16<sup>th</sup> September, 2009 to 25<sup>th</sup> September, 2009 (both days inclusive).
3. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
4. Members are requested to notify:
  - A) change of address, if any, with Pin Code, quoting reference of their folio number, to the Company.
  - B) members who are holding shares in Demat Mode are requested to notify any change in their address to their respective Depository Participant.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
6. All Documents referred to in the Notice and Explanatory Statement are open for inspection by the members at the Registered Office of the Company on any working day during office hours from 9.30 A.M. to 5.30 P.M. upto the date of the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF  
THE COMPANIES ACT, 1956**

**Item No. 5**

Shri Vibhu Bakhru was co-opted as Additional Director of the Company on 30.10.2008 and holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose the candidature of Shri Vibhu Bakhru to the office of Director of the Company. The Board of Directors consider that the continuance of Shri Vibhu Bakhru on the Board will be beneficial to the Company and recommend the resolution of his appointment for your approval.

Shri Vibhu Bakhru is a Chartered Accountant and an eminent legal expert. Shri Vibhu Bakhru is presently Director of Hindustan Everest Tools Limited & FACOR Steel Limited.

None of the Directors of the Company except Shri Vibhu Bakhru is concerned or interested in this resolution.

By Order of the Board of Directors  
For **FILATEX INDIA LIMITED**

PLACE : NEW DELHI  
DATE : 31<sup>st</sup> July, 2009

**SANJEEV GUPTA**  
COMPANY SECRETARY

REGISTERED OFFICE:  
Survey No.274, Demni Road, Dadra  
(U.T. of Dadra & Nagar Haveli) 396 191



**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report along with the Audited Accounts for the year ended March 31, 2009.

**FINANCIAL RESULTS:**

Particulars	2008-2009	(Rs. in Lacs)	2007-2008
Sales/Income from Operations	38428		37659
Gross Profit before Financial Charges, Depreciation & Taxation	2812		2674
Financial charges	619		622
Depreciation	790		757
Profit before exceptional items, prior period expenses and tax	1403		1295
Exceptional items			
- Interest waiver for previous period	-	5	
- Profit on sale of Wind Mill unit	122	-	
- Expenses on repairs due to fire	<u>(4)</u>	<u>-</u>	5
Prior period adjustments	-		3
Profit before tax	1521		1297
Provision for Taxation-			
- Current MAT	171		146
- Deferred	853		251
- Fringe Benefit	10		9
- MAT Credit Entitlement	(171)		(161)
Net Profit	658		1052
Balance brought forward from previous year	1026		-
Profit available for appropriation	1684		1052
Transfer to Capital Redemption Reserve	1250		-
Proposed Dividend on Preference Shares inclusive of tax on Proposed Dividend	-		26
Balance carried forward to Balance Sheet	434		1026

**DIVIDEND**

In order to conserve the resources for future requirements, your Directors regret their inability to recommend dividend on Equity Shares for the year under review.

**OPERATIONS & OUTLOOK**

Your Directors are pleased to inform you that despite volatile crude oil prices, your Company has achieved better results, inter alia, due to effective monitoring of raw material and inventory controls and its prices, improved product mix and stringent cost control measures.

During the year under review, your Company commenced the manufacturing of Fully Drawn Yarns which has a higher value addition as compared to POY as it is directly used in manufacturing of fabrics.

During the year under review, your Company disposed of its Wind Mill Project to focus on its core business. Your Company also redeemed the outstanding Non Convertible Cumulative Redeemable Preference Shares issued to IDBI Bank Limited amounting to Rs.12.50 crore and accumulated dividend thereon.

During the current financial year, a fire broke out at the Company's Monofilament unit at Noida which resulted in disruption of operations of the Company. Expeditious efforts were undertaken to minimize the losses and the operations were restored within a period of 5 days. The insurance claim lodged by the Company is expected to be finalized shortly.

Your Company is taking effective steps for setting up a Polyester Poly-Condensation plant together with increase in its existing POY capacity at a capital outlay of Rs. 240 crores. The said project will result in improved margins due to substantial reduction in operational costs.



**FIXED DEPOSITS**

During the year under review, the Company has not accepted any deposits.

**DIRECTORS**

Shri Vibhu Bakhru was co-opted as Additional Director on 30<sup>th</sup> October 2008 and holds office upto the date of the forthcoming Annual General Meeting. Requisite Notice has been received under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose Shri Vibhu Bakhru as a Director of the Company.

Mr. S.P.Setia and Mr. Purrshottam Bhaggeria, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors state as under:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and the Company has not been departed materially there from;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit of the Company for that period;
- iii. that 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;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

A separate Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed hereto as Annexure 'A' alongwith the Auditors Certificate on its compliance and Management Discussion & Analysis is annexed hereto as Annexure 'B' as part of the Annual Report.

**AUDITORS & AUDITORS' REPORT**

M/s Amod Agrawal & Associates, Chartered Accountants, Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Your Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

**STOCK EXCHANGE LISTING**

The Equity Shares of your Company are listed on Bombay & Calcutta Stock Exchanges. The Annual Listing Fees has been paid to the aforesaid Stock Exchanges for the year 2009-2010.

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

A statement showing the necessary information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed to this Report as Annexure 'C'

**PARTICULARS OF EMPLOYEES**

A Statement showing the particulars of employees under Section 217(2A) of the Companies Act, 1956 is annexed to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholders interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

**ACKNOWLEDGEMENTS**

Your Directors are pleased to place on record their sincere appreciation for the support, which the Company has received from its Bankers, Government Organizations, Dealers, Customers, Vendors, Staff and Employees. Your Directors also place on record their sincere appreciation for the confidence reposed by the Shareholders in the Company and its Management.

For and on behalf of the Board of Directors

Place : New Delhi  
Date : 31<sup>st</sup> July, 2009

**RAM AVTAR BHAGERIA**  
Chairman



**REPORT ON CORPORATE GOVERNANCE**

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, given below is a Report on the matters mentioned in the said Clause.

**1. Company's Philosophy on Code of Governance**

Your Company is fully committed to conduct its business with due compliance of all applicable laws, rules and regulations. The Company's philosophy on Corporate Governance lays strong emphasis on integrity, transparency, accountability and full disclosure in all facets of its operations to achieve the highest standards of Corporate Governance and to enhance the trust of the creditors, employees, suppliers, customers and public at large. The Company believes that all its operations and actions must serve the underlying goal of enhancing shareholder value, over a sustained period of time.

**2. Board of Directors**

In compliance with the Corporate Governance requirements, presently the Board of Directors is headed by non-executive Chairman and consists of total 8 members comprising of 5 non-executive Directors and out of which 4 are Independent Directors representing the optimum mix of professionalism, knowledge and experience in their respective fields.

**i) Present Structure of Board of Directors**

S.No.	Name	Category of Director
1.	Shri Ram Avtar Bhageria Chairman	Non-Executive Director
2.	Shri Madhu Sudhan Bhageria Vice Chairman & Managing Director	Executive Director
3.	Shri Purrshottam Bhaggeria Joint Managing Director	Executive Director
4.	Shri Madhav Bhageria Joint Managing Director	Executive Director
5.	Shri B. B. Tandon Director	Non-Executive & Independent Director
6.	Shri Vibhu Bakhru* Director	Non-Executive & Independent Director
7.	Shri S.C. Parija Director	Non-Executive & Independent Director
8.	Shri S.P. Setia Director	Non-Executive & Independent Director

\* Appointed as Additional Director w.e.f. October 30, 2008

Details of Directors being re-appointed at the ensuing Annual General Meeting are given at the end of this Report.

**ii) Board Meetings**

During the year 2008-09, the Board met five times on 24th May, 2008, 25th June, 2008, 29th July, 2008, 30th October, 2008 & 29th January, 2009.

The following table gives details of Directors, attendance of Directors at the Board meetings and at the last Annual General Meeting, number of membership held by Directors in the Board / Committees of various Companies: -



S. No.	Name	No. of Board Meetings attended	No. of Other Directorships*	Committee Memberships*	Committee Chairmanships*	Attendance in AGM
1.	Shri Ram Avtar Bhageria	5	-	-	-	YES
2.	Shri Madhu Sudhan Bhageria	4	3	-	-	YES
3.	Shri Purshottam Bhaggeria	5	3	-	-	YES
4.	Shri Madhav Bhageria	1	1	-	-	YES
5.	Shri B. B. Tandon	4	13	6	1	NO
6.	Shri Vibhu Bakhru**	1	2	-	-	NA
7.	Shri S.P. Setia	5	2	1	1	NO
8.	Shri S.C. Parija	4	1	-	1	NO

\* As on 31.03.2009. Represents Directorship & Membership/Chairmanship of Audit Committee & Shareholders Grievance Committee of the Indian Public Companies.

\*\* Appointed as Additional Director w.e.f. October 30, 2008

**iii) Board Procedure:**

The members of the Board are provided with the requisite information mentioned in the Listing Agreement before the Board Meetings. The Directors actively participate in the deliberations of the Board.

All the Directors who are on various committees are within the permissible limits of the Listing Agreement. The Directors have intimated from time to time about their membership in the various Committees in other Companies.

**3. Audit Committee**

In terms of Section 292A of the Companies Act, 1956 and the requirement of the Listing Agreement with the Stock Exchanges, the Board has an Audit Committee comprising of five Directors namely, Shri S.P. Setia, Shri S.C. Parija, Shri B.B. Tandon, Shri Vibhu Bakhru, all Independent Directors and Shri Ram Avtar Bhageria, Non Executive Director. Shri S.C. Parija is Chairman of the Committee. The terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines given in the Code of Corporate Governance, which inter-alia include the over view of Company's Financial Reporting Process, review of Quarterly, Half Yearly and Annual Financial Statements, Adequacy of Internal Control Systems, Major Accounting Policies & Practices, Compliances with Accounting Standards, Related Party Transactions, etc. The Company Secretary of the Company acts as the Secretary of the Committee.

The Internal Audit Reports are prepared by an external firm of Chartered Accountants & cover various operations of the Company and the Audit Committee of the Board of Directors reviews their findings regularly. This ensures a constant review of operations and systems and highlights the areas which need improvement. The reports form the basis of management functions, decisions and follow up.

During the year 2008-09 the Committee met 5 times. The attendance at the meetings is as under: -

Date of Meeting	No. of Members present
28-05-2008	3
25-06-2008	3
29-07-2008	3
30-10-2008	3
29-01-2009	5

In addition to the Committee members, Shri Madhu Sudhan Bhageria, Managing Director, Shri Purshottam Bhaggeria, Joint Managing Director, President (F & A), Internal Auditors and Statutory Auditors were also present at the meetings to answer the queries raised by the Committee members.



4. Details of Remuneration paid to the Directors during the Financial Year ended 31<sup>st</sup> March, 2009

(Amt. in Rs.)

S. No.	Name of Directors	Salary, Allowances & Commission	Contribution to Provident Fund	Perquisites	Sitting Fees	Total
1.	Shri Ram Avtar Bhageria	—	—	—	25000	25000
2.	Shri Madhu Sudhan Bhageria, Managing Director	3049893	9360	178355	—	3237608
3.	Shri Purrshottam Bhaggeria, Joint Managing Director	2762698	9360	560410	—	3332468
4.	Shri Madhav Bhageria, Joint Managing Director	2762698	9360	391257	—	3163315
5.	Shri Vibhu Bakhru	—	—	—	5000	5000
6.	Shri S.P. Setia	—	—	—	25000	25000
7.	Shri S.C. Parija	—	—	—	20000	20000
8.	Shri B B Tandon	—	—	—	12500	12500

The employment of Managing/Joint Managing Directors is on contractual basis. Except Shri Ram Avtar Bhageria, Non Executive Director who holds 4,62,000 Equity Shares, none of the Non Executive Directors held any Equity Shares of the Company as on 31st March, 2009. The Managing/Wholetime Directors are paid remuneration as approved by the Board of Directors and Shareholders and such other authorities as the case may be and are not paid sitting fees for Board/Committee Meetings attended by them. Non Executive Directors do not have any pecuniary relationship with the Company except sitting fees paid to them for attending the Board/Committee Meetings thereof. No notice period and severance fee is applicable for the Executive Directors. The Company does not pay any performance-linked incentives to its Executive Directors. The Company does not have any Stock Options Scheme.

5. Shareholders'/Investors' Grievances Committee

For effective and efficient Investor Services, the Company has a Shareholders'/Investors' Grievances Committee. The Committee comprises of Shri S.P. Setia & Shri S.C. Parija, Independent Directors and Shri Purrshottam Bhaggeria, Joint Managing Director of the Company. Shri. S.P. Setia is the Chairman of the Committee. Amongst the other functions, the Committee looks into redressal of Shareholders complaints like non-transfer of Shares, non-receipt of Balance Sheet etc as required pursuant to Clause 49 of the Listing Agreement. The Company attends to Investor Grievances/correspondences expeditiously and all efforts are made to reply immediately. Shri Sanjeev Gupta, Company Secretary of the Company is the Compliance Officer. Based on its experience in performance of its duties, the Committee time to time suggests necessary measures for overall improvement of Investor Services.

During the year ended 31st March, 2009, 3 investors complaints /queries were received which were replied / resolved to the satisfaction of the investors and as on 31st March, 2009 there were no complaints / queries pending reply. There were no share transfers pending for registration for more than 30 days as on 31st March, 2009. As on 31st March, 2009, 2 requests for transfer of Shares were pending for approval, which were approved and dealt with on 1st April, 2009.

The Company has also adopted a Code of Conduct for Prevention of Insider Trading in the Shares of the Company, pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Board has designated Shri Sanjeev Gupta, Company Secretary as the Compliance Officer.



**6. General Body Meetings:**

The last three Annual General Meetings of the Company were held as under: -

Year	Location	Date	Time	Whether Special Resolution passed
2005-2006	Survey No.274 Demni Road, Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	30th September, 2006	09.30 A.M.	No
2006-2007	Same as above	10th September, 2007	09.30 A.M.	Yes (4 Nos.)
2007-2008	Same as above	30th September 2008	09.30 A.M.	No

**Postal Ballot**

During the financial year 2008-2009, the shareholders of the Company, through postal ballot process approved the following resolutions:

S.No.	Subject	Resolution	Votes for the resolution		Vote against the resolution	
			No. of Shares	%	No. of Shares	%
1.	Approval for the sale, transfer and/or disposal of the 1MW Wind Power Project	Ordinary	84,60,914	99.92	6373	0.08

M/s Siddiqui & Associates, Company Secretaries, was the Scrutinizer for the Postal Ballot Process.

The procedure set out under Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 was followed for passing the resolution through Postal Ballot. The Notice of Postal Ballot, Postal Ballot form and prepaid self addressed envelope were sent to all the Shareholders with instructions to return the duly filled up form not later than August 23, 2008. The Scrutinizer submitted his report on August 26, 2008 and the Chairman declared the results on August 27, 2008 stating that the aforesaid resolution had been duly passed with requisite majority as an Ordinary Resolution. The said result was duly published in the newspapers.

There is no item in the Notice of the forthcoming Annual General Meeting that is proposed to be passed through Postal Ballot.

**7. Disclosures**

- (i) None of the transactions with any of the related party were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties set out in Notes to the Accounts - Point 15 forming part of the Annual Report.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (iii) In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are adopted have been set out in the Notes to the Accounts forming part of the Annual Report.
- (iv) The Company has not adopted a Whistle Blower Policy. However, no personnel were denied access to the Audit Committee.
- (v) The Company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures.
- (vi) The Company has complied with all mandatory requirements set out in Clause 49 of the Listing Agreement.

**8. Means of Communication**

The Company is not sending half-yearly report to the shareholders, as it is not a mandatory requirement. The Company publishes its quarterly/half yearly/annual results, amongst others, in The Free Press Journal and Sandesh circulating in Dadra & Nagar Haveli. The same together with any other significant development is



submitted to the Stock Exchanges. The Company is not making any official releases. The Financial Results, specified documents/statements are being displayed on SEBI website, www.sebiedifar.nic.in in compliance with the provisions of Clause 51 of the Listing Agreement. The Company has not made any presentation to Institutional Investors or Analysts. Management Discussion and Analysis Report forms part of the Annual Report, which is posted to the shareholders of the Company.

**9. Code of Conduct for Directors & Senior Management Personnel**

The Board has adopted a Code of Conduct for observance of the Directors and Senior Management Personnel to ensure ethical conduct in performance of their duties.

The Code has been circulated to all the Directors and Senior Management Personnel and they have affirmed the compliance of the same. A declaration in this regard signed by Managing Director of the Company is given at the end of this Report.

**10. Shareholder's referencer**

10.1 Annual General Meeting:

- Date and Time 25th September, 2009 at 9.30 A.M.
- Venue Survey No. 274, Demni Road, Dadra - 396191 (U.T. of Dadra & Nagar Haveli)

- 10.2 Financial Calendar (tentative)
- |  |            |                                |
|--|------------|--------------------------------|
| Results for the quarter ending           | 30-06-2009 | 31st July, 2009                |
| Results for the quarter/half year ending | 30-09-2009 | before end of October 2009     |
| Results for the quarter ending           | 31-12-2009 | before end of January, 2010    |
| Results for the quarter/year ending      | 31-03-2010 | before end of April/June, 2010 |

10.3 Book Closure Date : 16th September, 2009 to 25th September, 2009 (both days inclusive)

10.4 Dividend Payment Date : Not applicable.

10.5 Listing of Equity Shares : Mumbai and Calcutta. Annual Listing fees for the year 2009-10 has been paid to the on Stock Exchanges at above Stock Exchanges.

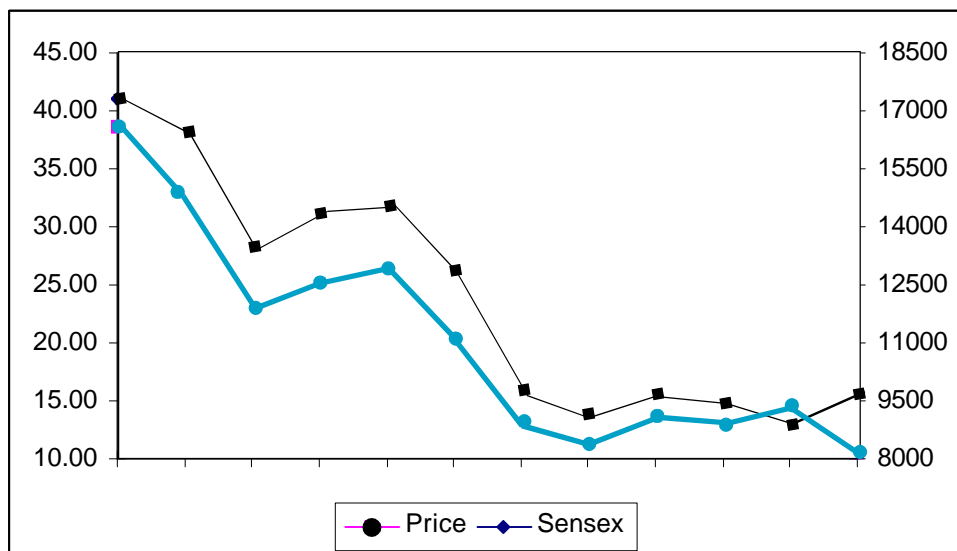
10.6 Stock Code :

- (a) Trading Symbol at : The Bombay Stock Exchange Ltd. 526227
- The Calcutta Stock Exchange Association Ltd. 10016023
- (b) ISIN allotted to : INE816B01019
- Equity Shares

10.7 Stock Market Data:

Monthly High & Low of the Equity Shares of the Company for the year 2008-2009 based upon BSE Price data in comparison to BSE Sensex is given below:

Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2008	43.00	17481	29.35	15298
May, 2008	40.45	17736	32.55	16196
June, 2008	32.20	16633	22.40	13406
July, 2008	25.90	15130	20.20	12514
August, 2008	27.95	15580	22.10	14002
September, 2008	29.95	15107	19.60	12154
October, 2008	25.70	13204	11.45	7697
November, 2008	17.20	10945	10.80	8316
December, 2008	15.00	10189	10.02	8467
January, 2009	20.60	10470	12.55	8632
February, 2009	15.89	9725	11.50	8619
March, 2009	14.00	10127	9.90	8047



10.8 Registrar and Transfer Agents : All the works relating to the share registry for the shares held in the physical forms as well as the shares held in the electronic form (Demat) are being done by MCS Limited at the following address:  
 MCS Limited  
 F-65, Okhla Industrial Area  
 Phase-I, New Delhi - 110020  
 Tel: 011-41406148  
 Fax: 011-41709881  
 Email: mcsdel@vsnl.com  
**Note:** Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.

10.9 Share Transfer System: The Share Transfers in physical form are registered and returned to the respective shareholders within a period of 15 days from the date of receipt, subject to the documents lodged for transfer being valid in all respects. The Shareholders'/ Investors Grievances Committee meets twice in a month to approve share transfers/ transmissions.

10.10 Distribution of Shareholding according to categories of Shareholders as on 31<sup>st</sup> March, 2009:

S.No.	Category	No. of Shares	%
<b>1.</b>	<b>Promoters Holding</b>		
	Promoter Group	81,65,567	47.64
<b>2.</b>	<b>Institutional Investors</b>		
	Mutual Funds	63,400	0.37
	Banks and Financial Institutions	8,41,497	4.91
	Foreign Institutional Investors	17,00,000	9.92
<b>3.</b>	<b>Others</b>		
	Private Corporate Bodies	25,16,648	14.68
	Indian Public	38,41,529	22.41
	NRIs/ OCBs	12,756	0.07
	<b>TOTAL</b>	<b>1,71,41,397</b>	<b>100.00</b>



Distribution of Shareholding as on 31<sup>st</sup> March, 2009

Range		Share holders		Shares	
No. of Shares		Number	% to total holders	Number	% to total Capital
Upto	500	4150	87.94	643289	3.75
501	1000	267	5.66	231048	1.35
1001	2000	122	2.59	198257	1.16
2001	3000	51	1.08	130496	0.76
3001	4000	16	0.34	57747	0.34
4001	5000	20	0.42	96765	0.56
5001	10000	26	0.55	192961	1.13
10001	and above	67	1.42	15590834	90.95
<b>TOTAL</b>		4719	100	17141397	100

10.11 Dematerialization of Shares:

The shares of the Company are traded in compulsory dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

Share Dematerialization record

As on 31st March, 2009, 1,66,71,577 Equity Shares were in dematerialized form which represents 97.26 % of the paid up capital.

10.12 Outstanding GDR/ADRs/ Warrants or any Convertible Instruments, conversion dates and likely impact on Equity

N.A.

10.13 Plant Location

1. Survey No.274, Demni Road, Dadra-396 191 (U.T. of Dadra & Nagar Haveli)
2. A-2, Extension, Phase - II (Noida), Distt. Gautam Budh Nagar - 201 304 (U.P.)

10.14 Address for Investor Correspondence

MCS Limited  
F-65, Okhla Industrial Area, Phase-I,  
New Delhi - 110020  
Tel : 011-41406148  
Fax: 011-41709881 Email: mcsdel@vsnl.com

Members can also contact us at :

The Company Secretary  
Flatex India Limited  
42, Community Centre, New Friends Colony,  
New Delhi - 110 025  
Email : shares@flatex.com

Shareholders are requested to quote their Folio Nos./DP ID/ Client ID, No. of Shares held and address for prompt reply.



**11. RE-APPOINTMENT OF DIRECTORS:**

Name of Director(s)	Shri S. P. Setia	Shri Purrshottam Bhaggeria
Age (Years)	68	48
Qualifications	B.Sc (Hons.)	MBA, Cornell University, USA
Date of Appointment	30-07-2003	30-07-2003
Expertise in specific functional areas/ other related activities.	Technical Consultant	Promoter Looking after Finance & Accounts
List of other Directorship (Indian Public Companies)	Himachal Fibres Ltd. Amit Spinning Ltd.	Helios Infrastructure & Projects Ltd. Jaipur Stock Exchange Ltd. Toni Leathers Ltd.
Chairman/Member of the committees of the Board of the Companies on which he/she is a Director.	Amit Spinning Ltd. Chairman-Audit Committee Filatex India Limited Member- Audit Committee Chairman- Shareholders Grievances Committee	Filatex India Limited Member– Shareholders Grievances Committee

**12. CEO/CFO CERTIFICATION**

In terms of Clause 49 of the Listing Agreement, Managing Director and Chief Financial Officer of the Company have submitted a certificate certifying various covenants about financial/cash flow statements, internal controls, financial reporting etc. in respect of Accounts for the year ending 31st March, 2009 to the Board of Directors.

**13. NON MANDATORY ITEMS:**

The Company has not adopted any non mandatory requirements except the Remuneration Committee as mentioned in Annexure 3 of Clause 49 of the Listing Agreement. The Committee comprised of three Independent Directors. Consequent to the withdrawal of nomination of Shri Inderpal S. Kalra by IDBI Bank Limited, the Remuneration Committee is to be reconstituted. During the year under review no meeting of the Remuneration Committee was held.

**DECLARATION:**

I, Madhu Sudhan Bhageria, Managing Director of the Company do hereby declare that all the Directors of the Company and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2009.

Place: New Delhi  
Date : April 28, 2009

**Madhu Sudhan Bhageria**  
Managing Director



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement  
**TO THE MEMBERS OF FILATEX INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by Filatex India Limited for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination 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, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement except that the Chairman of Audit Committee was not present at the Annual General Meeting.

We state that in respect of investor grievances received during the year ended 31st March, 2009, the Company Secretary has certified that as at 31st March, 2009, there were no investor grievances remaining unattended/ pending for a period exceeding one month.

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 **AMOD AGRAWAL & ASSOCIATES**  
Chartered Accountants

**AMOD AGRAWAL**  
Partner  
Membership No. 84175

Place: New Delhi  
Dated: July 29, 2009

**ANNEXURE 'B'**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DISCLAIMER STATEMENT**

Certain statements in this report on Management Discussion and Analysis may be forward looking statements and have been issued in terms of the applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed in the statements or implied due to the influence of external and internal factors, which are beyond the control of the Company. The Company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

**INDUSTRY STRUCTURE & DEVELOPMENT**

Liberal trade and economic policies in the last decade have helped the textile industry grow at a much faster rate than the earlier decades. The textile industry occupies a pivotal position in the Indian economy and its importance is recognized for its contribution to industrial production, export earnings and the GDP of the country. The industry is the single largest employer after agriculture. It contributes 17% to export earnings, 14% to industrial production, 8% to excise collection and 4% to the GDP. The sector is also the second largest employment provider. Due to these factors the industry has attracted a greater government focus. The Polyester Filament Yarn (PFY) is one of the essential intermediate sectors in the textile chain as it caters to a broad range of applications from apparels to home textiles and is also being used increasingly for non-apparel applications. Despite increase in the capacities, the demand for Polyester is expected to grow as its per capita consumption in India at 1.6 kg is still very low as compared to global per capita consumption of 3 kg.

**INDUSTRY OUTLOOK**

Though historically cotton has remained as a dominant fibre, in the last few decades there has been increased demand for manmade fibres in the textile industry. During the year 2008, polyester fibre had the largest market



share amongst all fibres with 40.76% market share followed by Cotton at 37%. Among man-made fibres, the Polyester in general and PFY in particular has witnessed a significant growth. The domestic as well as the global scenario remains very encouraging for the industry. PFY is the fastest growing segment amongst all the manmade fibres and currently accounts for about 78% of the global demand of all manmade fibres.

Upward trend in the growth of user industries, changing lifestyle and increased purchasing power have also contributed to the growth of the textile industry. The industry hitherto restricted mainly to apparel textiles has shown a shift towards non-apparel applications like home furnishings and industrial applications etc. Other demand drivers for polyester are its reasonable cost and superior properties which make it equally popular amongst all income groups. Lower level of existing non-apparel applications in India is expected to create new opportunities for the Industry.

Overall scenario remains optimistic for the Polyester segment. The prices of cotton are rising as there is an inherent constraint in its growth and therefore the demand supply gap would be met by Polyester. Suitable climate for cost effective operations across the year and availability of skilled labour at very reasonable rate are the other significant advantages for the Indian textile industry.

#### **OPPORTUNITIES & CHALLENGES**

##### Opportunities

- (i) Significant gap in Demand & Supply
- (ii) Huge potential in non-apparel applications
- (iii) Shift towards man made fibres from cotton
- (iv) Decrease in cultivation area of cotton leading to lower production
- (v) Anti dumping duty levied on imports of POY, provisional duty in FDY
- (vi) Increase in penetration of organized retail

##### Challenges:

- (i) Volatile raw material and crude oil prices
- (ii) Slowdown in global economy and its effect on investments in the textile sector
- (iii) Cheap imports due to international competition
- (iv) Expansion plans by other leading domestic manufacturers also

#### **COMPANY OUTLOOK**

The Company has initiated various debottlenecking measures to improve operational efficiencies and reduce cost of production. The Company has commenced the production of Fully Drawn Yarn which has higher margins. The Company is continuously exploring the possibilities of manufacturing yarns having higher value addition. The implementation of Polyester Poly-condensation Plant will result in substantial reduction in operational costs leading to increase in margins. The Company is also planning forward integration into knitting and weaving

#### **RISKS AND CONCERNS**

The Company perceives the following main business risks:

- a) Companies having their own Poly Condensation plant are able to achieve substantial reduction in their operational costs vis-à-vis our Company manufacturing POY from Polyester Chips
- b) Decline in global as well as domestic economy leading to lower consumer spending.
- c) Possible product substitution in the fibre market based on change in the prices of competitive fibres.
- d) Post WTO, India is exposed to international competition.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company remains committed to maintaining adequate and proper internal control systems and procedures in all the spheres of activity to provide reasonable assurance for orderly and efficient conduct of business and security of assets. It assures that all the assets are safeguarded and protected from unauthorized use and disposition and that all transactions entered into by the Company are duly authorized, recorded and reported. The Company has an elaborate budgetary control system and actual performance, which is constantly monitored by the management. The Company has well defined organization structure, authority levels and internal guidelines and rules. The internal control system ensures that the financial and other records are reliable for preparing financial statements and other data and for maintaining proper records of assets. The Company has an extensive system of internal controls which ensures optimum utilization and protection of resources, accurate reporting of financial transactions and compliance with applicable laws and regulations as also internal policies and procedures. The internal control system is supplemented by effective internal audit carried out by an external firm of Chartered Accountant and reports reviewed by the management at regular intervals.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review your Company achieved turnover of Rs. 38,428 lacs as against Rs. 37,659 lacs in the previous financial year. The net profit for the year under review was Rs.658 lacs after providing for depreciation of Rs. 790 lacs and tax of Rs. 863 lacs as against a net profit of Rs. 1,052 lacs after providing depreciation of Rs. 757



lacs and tax of Rs. 245 lacs during the previous year. During the year under review, there was an exceptional gain of Rs. 118 lacs as compared to Rs. 5 lacs during the previous year.

**HUMAN RESOURCES & INDUSTRIAL RELATIONS**

Human Resources are vital to the success of any Organization. The Company lays emphasis on developing and facilitating optimum human performance by providing opportunity for open interactions, communications and feedback. Relations with employees remained cordial during the year under review. Consistent and fair policies ensure that industrial relations continue to be peaceful and results in improvement in productivity and effectiveness. Your Company aims at creating development oriented approach for its employees by building systems, processes and focusing on recruitment of top quality manpower. Focus on performance appraisal and incentive schemes results in enhancing productivity on a substantial basis. It provides an opportunity to all the employees to utilize their full potential and grow in the organization and believes in empowering its people and providing a stimulating professional environment. The number of persons employed in the Company at the close of the Financial Year was 815.

**ANNEXURE 'C'**

**ANNEXURE TO DIRECTORS' REPORT**

**REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

**A. CONSERVATION OF ENERGY:**

**1. Energy Conservation measures taken:**

- Installation of energy efficient pumps
- Installation of energy efficient motors
- Introduction of low pressure air generation and distribution

**2. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:**

- Installation of Inverters
- Improvement in efficiency of compressors
- Optimization of pumps in cooling tower
- Conversion of DC motor to AC motor
- Installation of waste roller
- Modification of process system on an ongoing basis

**3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

- Reduction in cost of production due to lower energy costs
- Improvement in both quality and productivity
- Increase in efficiency by optimum utilisation of power
- Lowering of equipment engagement load will result in longer life of equipments

**4. Total energy consumption and energy consumption per unit of production:**

The details are provided in Form 'A' given below.

**B. TECHNOLOGY ABSORPTION:**

The details are provided in Form 'B' given below.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**a) Activities relating to exports, initiative taken to increase export, development of new exports markets for product services & exports plans:**

The Company is continuously exploring the possibilities for exports to newer markets. Consistent efforts are being made to sustain new avenues for exports.

b)	Foreign Exchange earned	Rs.	122.70 Lacs
	Foreign Exchange used	Rs.	1,611.38 Lacs

**D. INFORMATION ON POLLUTION CONTROL MEASURES:**

The Company is maintaining & monitoring environment & pollution control parameters at its plants on a continuous basis. The Company is maintaining proper effluent treatment plant to keep the environment pollution free. Environment & pollution parameters are regularly analyzed and actual values are within the permissible norms.



**FORM 'A'**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

<b>A) Power and Fuel Consumption:</b>	2008-2009	2007-2008
1. Electricity		
a) Purchased Units KWH	5,01,64,534	4,37,57,488
Total amount Rs.	20,40,52,411	13,28,47,002
Rate per unit Rs.	4.07	3.04
b) Own generation through DG Sets	4,93,107	
Units KWH	3.53	8,44,941
Units per Liter of Diesel oil	8.41	3.37
Cost per unit Rs.	NIL	8.55
2. Coal		NIL
3. Furnace Oil		
- Quantity (K. ltr.)	542.806	765.15
- Total amount ( Rs. in lacs)	129.42	140.31
- Average Rate/Litre (in Rs.)	23.84	18.34
4. Others	NIL	NIL
<b>B) Consumption per unit of production :</b>		
Electricity (KWH/kg)	0.93	0.83
Furnace Oil(K. ltr/MT)	0.010	0.015

**FORM 'B'**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION:**

**Research and Development:**

**1. Specific areas in which Research and Development carried out by the Company:**

- Improvement in consumption of raw material
- Optimization of process parameters to increase productivity, product quality, efficiency
- New product development with special emphasis on products having higher value addition

**2. Benefits derived as a result of the above research and development:**

- Better product mix, cost reduction resulting in improved margins
- Lowering of maintenance cost
- Consistency and improvement in product quality
- Newer market base due to development of new products

**3. Future Plan of Action:**

- Further improvement in product quality
- Reduction in consumption of furnace oil
- Study of new material technology and development

**4. Expenditure on Research & Development:**

- Capital )
  - Recurring )
  - Total )
  - Total Research & Development )
  - Expenditure as % of total turnover. )
- ) The expenditure has been charged under the primary heads of accounts.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**1. Efforts in brief made towards technology absorption, adaptation and innovation:**

- Development of new products to cater to the market requirements
- Improvement/ modification in process and equipments for improved product quality
- Intermingling air system introduced to improve the quality of POY Yarn
- Reduction in cost of packing

The stress is laid on innovation in all the functions including production. The Company has latest state-of-art machines and the Company is continuously adapting the processes of production to increase its production, quality and consistency in its products. Market trends are regularly monitored to meet the requirements of customers.

**2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.:**

- Customer satisfaction and reduction in costs
- Increase in margins
- Newer product mix
- Improvement in operational efficiency and quality of products

**3. In case of Imported Technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: - N.A.**



**AUDITOR'S REPORT**

**TO THE MEMBERS OF FILATEX INDIA LIMITED**

1. We have audited the attached Balance Sheet of Filatex India Limited as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in para 3 above, we report that: -
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956
  - (e) On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of section 274(1) (g) of Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon in Schedule No.21, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of Balance Sheet, of the state of the affairs of the Company, as at March 31, 2009.
    - ii) In the case of the Profit and Loss account, of the Profit of the Company for the year ended on that date; and
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **AMOD AGRAWAL & ASSOCIATES**  
Chartered Accountants

Place : New Delhi  
Date : 28.04.2009

**AMOD AGRAWAL**  
Partner  
Membership No. 84175

**Annexure referred to in paragraph (3) of our report of even date**

1.
  - a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management during the year in a phased manner and no material discrepancies have been noticed on such verification. However, there was a fire at company's Monofilament Yarn unit at Noida during the month of April, 2009. Losses are yet to be ascertained. The production at the unit has not been significantly affected (refer note no.3 of Schedule No.21).  
In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - c) The company has not disposed off substantial part of fixed assets during the year and going concern status of the company is not affected. (refer note No.8 of Schedule No.21).
2.
  - a) The management has conducted physical verification of inventory at reasonable intervals.
  - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory and no material discrepancies in inventory were noticed on physical verification.
3.
  - a) As informed to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) According to the information and explanations given to us, the company has taken unsecured loan from three party covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.920.00 lacs and the year end balance of the loan taken from



such party was Rs.250.00 lacs, which includes Rs.Nil payable on demand. In our opinion, the rate of interest and other terms & conditions are not prima facie prejudicial to the interest of the company. There is no overdue amount.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There are no transactions in respect of sale of services during the year. Accordingly the issue of continuing failure to correct major weakness in internal control in these areas does not apply.
5. According to the information and explanations provided by the management, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Govt. for the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have however, not made a detailed examination of these records.
9.
  - a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it with the appropriate authorities.
  - b) According to the information and explanations given to us there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom duty and Excise duty outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
  - c) According to the records of the company, there are no dues of wealth tax, customs duty and cess, which have not been deposited on account of any dispute. Dues towards excise duty, sales tax, service tax and income tax that have not been deposited on account of dispute are stated below:

S. No.	Nature of Dues	Amount (Rs/lacs)	Period to which it relates	Forum where Dispute is pending
1	NCCD on Deemed Exports & Job Work.	103.24	July, 2003 to June, 2004	Central Excise & Service Tax Appellate Tribunal, Western Zone, Ahmedabad.
2	NCCD on Deemed Exports.	2.76	July to Nov. 2004	Commissioner of Central Excise (Appeals), Vapi
3	Sales Tax	18.16	FY 2002-03	Appellate Tribunal, Noida(UP)
4	Differential duty on import of chips	14.54	December, 2007	Asst. Commissioner of Customs, Group II, E&B, JNCH, Navi Mumbai.
5	Co-Party made with a customer for discrepancies in compliance of export obligation by customer.	15.00	April, 2007	CESTAT, Western Zone, Ahmedabad.
6	Estimation of Sales value of Yarn	174.11	FY 2002-03	Supreme Court.
7	Demand on Non Receipt of Warehouse Certificate	4.81	June, 2005	Jt. Commissioner, Central Excise & Customs, Vapi.
8	Sales Tax	0.51	FY 2003-04	Jt. Commissioner (Appeals), Sales Tax
9	NCCD against CENVAT of basic excise duty	453.52	March 2006 to January 2008.	The Commissioner, Central Excise & Customs, Vapi
10	Penalty under Rule 209A of the CE Rules 1994.	0.50		The Asst. Commissioner, Customs, Group II, C&D, JNCH, Navi Mumbai.
11	Demand towards adjustments of NCCD against CENVAT credit of Basic Excise Duty.	21.68	February, 2008	The Jt. Commissioner, Central Excise & Customs, Vapi
12	Credit of Service Tax availed on courier service.	0.21	2005-06 & 206-07	The Asst. Commissioner of Central Excise, Silvassa.
13	Income Tax demand	1.59	FY 2003-04	CIT Appeals (XIII), N.Delhi



10. The Company has no accumulated losses at the end of the financial year. It has not incurred cash losses during the year under report and immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund, nidhi / mutual benefit fund and societies.
14. The company has not dealt/traded in shares, securities and debentures. However in respect of investments made in mutual funds, in our opinion and according to the information and explanations given to us, proper records have been maintained for the transactions and contracts and timely entries have been made therein. The investments have been held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. Based on the audit procedures applied by us & according to the information & explanations provided by the management, the term loans taken by the company during the year have been applied for the purpose for which the loans were obtained.
17. According to the information and explanation given to us and on the basis of overall examination of the Balance Sheet of the company, in our opinion, no short term funds have been used for long term uses, during the year under our report.
18. The company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the period covered under our audit report, the Company has not issued any debentures. Therefore the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information & explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit that causes the financial statement to be materially misstated.

For **AMOD AGRAWAL & ASSOCIATES**  
Chartered Accountants

Place : New Delhi  
Date : 28.04.2009

**AMOD AGRAWAL**  
Partner  
**Membership No. 84175**



**BALANCE SHEET AS AT MARCH 31, 2009**

(Rs /Lacs)

PARTICULARS	SCHEDULE NO	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	1		
- Equity		1714.14	1714.14
- Preference		-	1250.00
Reserves & Surplus	2	5527.37	4065.54
		<b>7241.51</b>	<b>7029.68</b>
<b>LOAN FUNDS</b>			
Secured - Terms Loans	3	2605.64	1628.80
- Working Capital Loans		1486.01	1466.57
Unsecured		337.28	1299.05
		4428.93	4394.42
Deferred Tax Liability		1103.81	251.21
		<b>12774.25</b>	<b>11675.31</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	16481.94	15422.46
Less Depreciation		7477.59	6870.51
		<b>9004.33</b>	<b>8551.95</b>
Capital Work In Progress		244.08	148.87
		9248.41	8700.82
<b>INVESTMENTS</b>	5	277.79	0.01
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
Inventories	6	1375.20	2561.25
Sundry Debtors	7	1196.20	1647.27
Cash & Bank Balances	8	1390.81	178.19
Other Current Assets	9	121.90	108.44
Loans & Advances	10	927.76	584.63
		5011.87	5079.78
LESS:CURRENT LIABILITIES & PROVISIONS	11		
Current Liabilities		1636.00	1967.17
Provisions		133.82	146.13
		<b>1769.82</b>	<b>2113.30</b>
<b>NET CURRENT ASSETS</b>		<b>3242.05</b>	<b>2966.48</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	12	6.00	8.00
		<b>12774.25</b>	<b>11675.31</b>
Notes To Accounts	21		

The schedules referred to above and notes to accounts form an integral part of the Accounts

for and on behalf of the Board

As per our report of even date attached  
for **AMOD AGRAWAL & ASSOCIATES**  
Chartered Accountants

**AMOD AGRAWAL**  
Partner  
Membership No. 84175

**SANJEEV GUPTA**  
Company Secretary

Place : New Delhi  
Date : 28.04.2009

**R P GUPTA**  
President (F & A)

**RAM AVTAR BHAGERIA**  
Chairman  
**MADHU SUDHAN BHAGERIA**  
Vice Chairman & Managing Director  
**PURRSHOTTAM BHAGGERIA**  
Joint Managing Director  
**S C PARIJA**, Director  
**S P SETIA**, Director  
**B B TANDON**, Director  
**VIBHU BAKHRU**, Director



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

(Rs. /Lacs)

PARTICULARS	SCHEDULE NO	YEAR ENDED MARCH 31, 2009	YEAR ENDED MARCH 31, 2008
<b>INCOME</b>			
Gross Sales	13	38427.93	37659.31
Less: Excise Duty		<u>2521.04</u>	<u>3110.00</u>
Net Sales		35906.89	34549.31
Other Income	14	31.88	60.04
Increase/(Decrease) in Stocks	15	<u>(312.28)</u>	<u>175.12</u>
		<b><u>35626.49</u></b>	<b><u>34784.47</u></b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	16	28817.15	29234.45
Manufacturing & Administration expenses	17	2848.08	1945.44
Payment & Benefits to Employees	18	844.52	782.16
Selling Expenses	19	305.17	148.80
Financial Charges	20	619.00	621.79
Depreciation		789.93	776.56
Less: Transferred from Revaluation Reserve		<u>-</u>	<u>19.12</u>
		<b><u>34223.85</u></b>	<b><u>33490.08</u></b>
Profit before exceptional items, prior period expenses & tax		1402.64	1294.39
Prior Period adjustments		-	(2.63)
Exceptional Items:			
- Interest waiver for previous period		-	5.26
- Profit on sale of Wind Mill unit		121.84	-
- Expenses on repairs due to fire		(3.69)	-
Profit before Tax		<b>1520.79</b>	<b>1297.02</b>
Provisions for Tax:			
Current - Minimum Alternate Tax		171.12	145.90
Deferred		852.60	251.21
Fringe Benefit		10.43	9.25
Add : MAT Credit Entitlement		(171.12)	(161.18)
Profit after Tax		<b>657.76</b>	<b>1051.84</b>
Balance Brought Forward from previous year		1026.38	-
Profit available for appropriation		1684.14	1051.84
<b>Appropriations:</b>			
Transfer to Capital Redemption Reserve		1250.00	-
Provision for Proposed Dividend on Preference Shares		-	21.76
Provision for Tax on Preference Dividend		-	3.70
<b>Balance Carried to Balance Sheet</b>		<b>434.14</b>	<b>1026.38</b>
Earnings per Share(EPS) (Face value of Rs.10/- per share)			
Basic & Diluted before Extra ordinary items (in Rupees)		3.84	6.84
Basic & Diluted after Extra ordinary items (in Rupees)		3.84	6.87
Notes to Accounts	21		

The schedules referred to above and notes to accounts form an integral part of the Accounts

for and on behalf of the Board

As per our report of even date attached for **AMOD AGRAWAL & ASSOCIATES** Chartered Accountants

**AMOD AGRAWAL**  
Partner  
Membership No. 84175

**SANJEEV GUPTA**  
Company Secretary

Place : New Delhi  
Date : 28.04.2009

**R P GUPTA**  
President (F & A)

**RAM AVTAR BHAGERIA**  
Chairman  
**MADHU SUDHAN BHAGERIA**  
Vice Chairman & Managing Director  
**PURRSHOTTAM BHAGGERIA**  
Joint Managing Director  
**S C PARIJA**, Director  
**S P SETIA**, Director  
**B B TANDON**, Director  
**VIBHU BAKHRU**, Director

**FILATEX INDIA LIMITED**



**SCHEDULES FORMING PART OF BALANCE SHEET**

(Rs /Lacs)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
<b>SCHEDULE 1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,75,00,000 (Previous Year 2,75,00,000) Equity Shares of Rs.10/- each	2750.00	2750.00
1,25,00,000 (Previous Year 1,25,00,000) Redeemable Preference shares of Rs.10/- each	1250.00	1250.00
	<b>4000.00</b>	<b>4000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,71,41,397 (Previous Year 1,71,41,397) Equity Shares of Rs.10/- each fully paid up(*)	1714.14	1714.14
Nil (Previous Year 1,25,00,000) 0.10% Non Convertible Cummulative Redeemable Preference Shares of Rs.10/- each fully paid up (refer note No. 4 of Schedule 21)	NIL	1250.00
	<b>1714.14</b>	<b>2964.14</b>

\* Includes 8,41,397 Equity Shares of Rs.10/- each have been issued to IDBI Limited under OTS entered into with them at a premium of Rs. 13.77 per share.

**SCHEDULE 2 - RESERVES & SURPLUS**

	AS AT 01/04/2008 (Rs/Lacs)	Additions during the year (Rs/Lacs)	Adjustment during the year (Rs/Lacs)	AS AT 31/3/2009 (Rs/Lacs)
i) Share Premium	2165.86	-	-	2165.86
i) General Reserve	424.26	-	-	424.26
iii) Capital Reserve	359.70	893.42	-	1253.12
iv) Revaluation Reserve	89.33	-	89.33	-
v) Capital Redemption Reserve (refer note No. 4 of Schedule 21)	-	1250.00	-	1250.00
vi) Profit & Loss A/c	1026.39	657.74	1250.00	434.13
	<b>4065.54</b>	<b>2801.16</b>	<b>1339.33</b>	<b>5527.37</b>



PARTICULARS	(Rs /Lacs)	
	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
<b>SCHEDULE 3 - LOAN FUNDS</b>		
<b>LOANS</b>		
<u>SECURED LOANS:</u>		
i) Term Loans from Banks		
– Rupee	78.87	173.21
– Foreign Currency	2464.75	1372.30
– Vehicle Loans	62.02	80.95
ii) Working Capital Loan from Banks		
– Rupee	36.25	44.73
– Foreign currency	1449.76	1421.84
iii) Interest accrued & Due	–	2.34
	<u><b>4091.65</b></u>	<u><b>3095.37</b></u>
<p>a. Term Loans from Banks amounting to Rs.2543.62 lacs are secured by way of first charge on pari-passu basis on all immovable and movable assets of the Company, both present and future (save and except inventories and book debts) and except those mentioned at para (b) &amp; (c) below subject to charges created/to be created in favour of Company's bankers by way of security for borrowings for Working Capital requirements in the ordinary course of business.</p> <p>b) Vehicles Loans are secured by way of exclusive charge on specific assets.</p> <p>c) Working capital loans from scheduled banks are secured by way of hypothecation of stocks of raw material, work-in-progress, finished goods, stores &amp; spares, other consumables and book debts of the company both present and future and by way of second charge on fixed assets of the company.</p> <p>d) Installments of term loans &amp; vehicle loans due within next 12 months are Rs.910.82 lacs (previous year Rs.607.74 lacs).</p> <p>e) The above loans except vehicle loans are further guaranteed by the three Promoter Directors in their personal capacity.</p>		
<u>UNSECURED LOANS:</u>		
i) From Bodies Corporate	250.00	1200.00
ii) Dealers Deposits	87.28	75.61
iii) Interest Accrued & Due	–	23.44
	<u><b>337.28</b></u>	<u><b>1299.05</b></u>

**FILATEX INDIA LIMITED**

**SCHEDULE 4 - FIXED ASSETS**

(Rs/Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.08	Additions	Sale/ Adjust- ments	As at 31.03.09	As at 01.04.08	Ended 31.03.09	Adjust- ments	TOTAL	As at 31.03.09	As at 31.03.08
Lease Hold Land	43.39	-	-	43.39	3.18	0.53	-	3.71	39.68	40.21
Free Hold Land	177.24	88.94	40.75	225.43	-	-	-	-	225.43	177.24
Factory Buildings	877.44	6.79	-	884.23	279.33	29.31	-	308.64	575.59	598.11
Non-Factory Buildings	570.85	-	-	570.85	102.34	9.30	-	111.64	459.21	468.51
Plant & Machinery	12909.87	1275.88	0.82	14184.93	6090.47	706.33	0.32	6796.48	7388.45	6819.40
Office Equipments	90.94	6.52	-	97.46	33.29	4.43	-	37.72	59.74	57.65
Furniture & Fixtures	115.46	0.75	-	116.21	60.26	6.10	-	66.36	49.85	55.20
Computers	82.11	31.50	-	113.61	66.99	8.04	-	75.03	38.58	15.12
Vehicles	248.67	30.46	33.30	245.83*	69.92	22.55	14.46	78.01	167.82	178.75
Wind Mills	306.49	-	306.49	-	164.73	12.45**	177.18	-	-	141.76
	15422.46	1440.84	381.36	16481.94	6870.51	799.04	191.96	7477.59	9004.34	8551.95
Capital Work in Progress	148.87	244.08 #	148.87	244.08	-	-	-	-	244.08	148.87
Grand Total	15571.33	1684.91	530.23	16726.01	6870.51	799.04	191.96	7477.59	9248.42	8700.82
Previous Year	15213.42	364.24	6.33	15571.33	6096.01	776.57	2.11	6870.51	8700.82	9117.35

\* Includes vehicles taken on hire purchase amounting to Rs.110.99 lacs (Upto Previous Year Rs.143.74 lacs)

# Comprising of Plant & Machinery and Building under construction pending capitalization.

\*\* Includes depreciation on revaluation reserves of Rs.9.11 lacs (previous year Rs.19.12 lacs)

**SCHEDULE 5 - INVESTMENTS (AT COST)**
**LONG TERM, NON TRADE (QUOTED)**
**Fully Paid Equity Shares (Face Value Rs. 10/- Each)**

PARTICULARS	AS AT MARCH 31, 2009		AS AT MARCH 31, 2008	
	No. of Shares/Units	(Rs/Lacs)	No. of Shares/Units	(Rs/Lacs)
Tata Coffee Ltd.	5	0.03	5	0.03
B.S.I. Industries Ltd.	4,600	4.90	4,600	4.90
Cavalet India Ltd.	5,000	1.79	5,000	1.79
Montana International Ltd.	4,500	1.17	4,500	1.17
		<u>7.89</u>		<u>7.89</u>

**CURRENT, NON-TRADE (QUOTED)**
**Units of Mutual Funds**

(Face value of Rs. 10/ each per unit unless otherwise stated)

Tata Gilt Securities Fund- Dividend (6567473 units purchased & 4289700 unit sold) 2277773	301.04	-	-
	<u>308.93</u>		<u>7.89</u>
Less : Provision for diminution in value	31.14		7.88
	<u>277.79</u>		<u>0.01</u>

Market value of quoted investments as on 31/03/2009  
Rs.277.79 lac (Previous year Rs.0.01 lac)

**Units of mutual funds purchased and sold during the year, but not existing on the balance sheet date:**

- 2637832 units of Reliance Liquid Fund - Treasury Plan
- 989361 units of ING Gilt Fund
- 2994429 units of ING Liquid Fund Institutional
- 1585870 units of IDFC Super Saver Income Fund - Investment Plan B
- 121593 units of Tata Liquid Super High Investment Fund



PARTICULARS	(Rs /Lacs)	
	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
<b>SCHEDULE 6 - INVENTORIES</b>		
Raw Materials	408.59	1169.55
Stores, Spares & Consumables	244.62	287.95
Work in Progress	125.56	114.55
Finished Goods	596.43	919.72
Goods in Transit	-	69.48
	<b>1375.20</b>	<b>2561.25</b>
<b>SCHEDULE 7 - SUNDRY DEBTORS</b>		
(Unsecured, Considered Good unless otherwise stated)		
Exceeding 6 months	106.97	119.10
Others	1185.94	1570.23
Total Debtors	1292.91	1689.33
Less: Provision for doubtful debts	96.71	42.06
	<b>1196.20</b>	<b>1647.27</b>
<b>SCHEDULE 8 - CASH &amp; BANK BALANCES</b>		
Cash in hand	11.78	15.54
Balances with Scheduled Bank -		
- In Current Accounts	36.31	10.36
- Cash Credit Accounts	1303.25	-
- In Fixed Deposits (pledged with banks as Margin Money)	39.23	152.04
- In Fixed Deposits (pledged with Sales Tax Department)	0.25	0.25
	<b>1390.82</b>	<b>178.19</b>
<b>SCHEDULE 9 - OTHER CURRENT ASSETS</b>		
Interest receivable	0.74	2.36
Prepaid Expenses	102.16	40.62
DEPB Licenses/Customs Duty Advance	-	1.11
Claims Receivable	19.00	9.28
Expenses recoverable under Insurance Claim.	-	55.07
	<b>121.90</b>	<b>108.44</b>
<b>SCHEDULE 10 - LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in kind or value to be received (includes Rs.14.86 lacs given to employees, Previous year-Rs.9.05 lacs)	244.15	200.70
Balance with Excise Department	52.17	118.43
VAT Receivable	216.16	77.19
Security Deposits	34.77	27.13
Mat Credit entitlement recoverable	332.30	161.18
Income Tax recoverable	48.21	-
	<b>927.76</b>	<b>584.63</b>



PARTICULARS	(Rs /Lacs)	
	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
<b>SCHEDULE 11 - CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b><u>CURRENT LIABILITIES</u></b>		
Sundry Creditors		
- Acceptances	232.83	1149.38
- for Material	328.69	324.26
- for Services	101.00	46.68
- Micro/Small Enterprises (Refer Note 8 to Schedule 21)	-	-
- due to SSI Units.	-	-
Advances / Balances of customers	306.64	45.44
Excise Duty/Service Tax Payable	0.58	0.14
Others	666.26	401.27
	<b>1636.00</b>	<b>1967.17</b>
<b><u>PROVISIONS</u></b>		
Gratuity	89.17	74.94
Leave Encashment	47.96	32.09
Income Tax (MAT) (Net of Advance Tax/TDS of Rs.320.77 lacs Previous Year Rs.133.51 lacs)	(3.74)	12.39
Fringe Benefit Tax (Net of Advance Tax of Rs.10.00 lacs, previous year Rs.8.00 lacs)	0.43	1.25
Proposed dividend on Preference Shares	-	21.76
Tax on proposed dividend on Preference Shares	-	3.70
	<b>133.82</b>	<b>146.13</b>
<b>TOTAL</b>	<b>1769.82</b>	<b>2113.30</b>
<b>SCHEDULE 12 - MISCELLANEOUS EXPENDITURE</b>		
Capital Issue Expenses	8.00	10.00
Less: Written off during the year	2.00	2.00
	<b>6.00</b>	<b>8.00</b>
	<b>YEAR ENDED MARCH 31, 2009</b>	<b>YEAR ENDED MARCH 31, 2008</b>
<b>SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT</b>		
<b>SCHEDULE 13 - SALES/INCOME FROM OPERATIONS</b>		
Sales	38396.62	37616.49
Job Work	1.99	18.86
Sale of Scrap	29.32	23.96
	<b>38427.93</b>	<b>37659.31</b>



PARTICULARS	(Rs /Lacs)	
	YEAR ENDED MARCH 31, 2009	YEAR ENDED MARCH 31, 2008
<b>SCHEDULE 14 - OTHER INCOME</b>		
Dividend (On current investment, non trade)	18.02	0.98
Balances written back (Net)	-	11.55
Interest on FDR (TDS of Rs. 1.54 lacs, Previous Year Rs. 2.30 lacs)	6.93	9.49
Interest from others	1.21	37.72
Exchange Fluctuations Gain	2.28	-
Miscellaneous Receipts	3.44	0.30
	<b>31.88</b>	<b>60.04</b>
<b>SCHEDULE 15 - INCREASE/(DECREASE) IN STOCK</b>		
Opening Stock of Finished Goods and Work in Progress	1034.27	859.15
Closing Stock of Finished Goods and Work in Progress	721.99	1034.27
	<b>(312.28)</b>	<b>175.12</b>
<b>SCHEDULE—16 COST OF MATERIAL CONSUMED</b>		
Raw Material (Includes exchange fluctuation of Rs.13.75 lacs, Previous year Rs.0.28 lacs)	27475.58	28073.60
Consumables	127.49	125.48
Store & Spares	236.22	186.21
Packing Material	977.86	759.35
Goods for resale	-	89.81
	<b>28817.15</b>	<b>29234.45</b>
<b>SCHEDULE 17 - MANUFACTURING &amp; ADMINISTRATION EXPENSES</b>		
Repair & Maintenance - Machinery	106.09	59.14
- Building	71.21	45.48
- Others	37.28	34.91
Electricity expenses	16.49	16.82
Power & Fuel	2241.32	1539.18
Rates & Taxes	5.89	6.42
Printing & Stationery	11.21	11.87
Postage, Telephone & Telegram	28.95	26.92
Rent	59.22	44.26
Travelling & Conveyance	59.87	49.45
Vehicle Running & Maintenance	25.74	23.29
Legal & Professional Charges	17.92	20.96
Auditor's Remuneration (Net of Service Tax)	4.17	3.11
Insurance Expenses	41.56	39.52
Director's Sitting Fees	0.87	0.34
Security Services	3.52	2.76
General Expenses	5.75	9.10
Miscellaneous Expenditure Written off	2.00	2.00
Donation	1.01	0.15
Advertisement & Publicity	4.22	6.21
Membership Fees & Subscriptions	3.07	1.85
Loss on Sale of unit of mutual fund (current, non trade)	71.78	-
Provision for dimunition on value of investments	23.26	-
Profit / Loss on sale of Fixed Assets	5.68	(2.61)
Loss on Foreign Exchange Fluctuation	-	4.31
	<b>2848.08</b>	<b>1945.44</b>



PARTICULARS	(Rs /Lacs)	
	YEAR ENDED MARCH 31, 2009	YEAR ENDED MARCH 31, 2008
<b>SCHEDULE 18 - PAYMENT &amp; BENEFITS TO EMPLOYEES</b>		
Salary, Wages, Bonus & Commission	615.26	614.53
Employer's Contribution to Provident Fund & other funds	50.31	33.93
Other Benefits	178.95	133.70
	<b>844.52</b>	<b>782.16</b>
<b>SCHEDULE 19 - SELLING EXPENSES</b>		
Market Development	16.49	12.95
Freight Outward	106.49	27.78
Commission & Claims	119.04	95.42
Bad Debts Written off	9.10	23.86
Provision for doubtful debts	54.05	(11.21)
	<b>305.17</b>	<b>148.80</b>
<b>SCHEDULE 20 - FINANCIAL CHARGES</b>		
Interest on Term Loans	228.86	243.52
Interest on Working Capital Loans & Others	230.97	276.44
Bank Charges	81.45	64.37
Premium on Forward Contracts	77.72	37.46
	<b>619.00</b>	<b>621.79</b>

**SCHEDULE-21 -SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS.**

**I. NATURE OF OPERATION**

Filatex India Ltd. is a manufacturer of Polyester, Nylon & Poly propylene Multi & Mono Filament Yarn.

**II. SIGNIFICANT ACCOUNTING POLICIES**

**a) Accounting Concepts**

The financial statements are prepared under the historical cost convention in compliance with the Accounting Standards specified to be mandatory by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

**b) Fixed Assets & Depreciation:**

- i) Fixed Assets are stated at cost net of cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financial costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable directly to fixed assets are capitalized.
- ii) Depreciation has been provided on straight-line method on pro-rata basis at the rates & manner prescribed in Schedule XIV of the Companies Act, 1956.
- iii) Depreciation on leasehold land is provided over the remaining useful life of the assets.

**c) Foreign Currency Transactions:**

- i) Initial Recognition:  
Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transactions.
- ii) Exchange Differences:  
Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing after December 7, 2006 are capitalized as a part of fixed asset.
- iii) Forward Exchange Contracts  
Exchange fluctuation on Forward Exchange Contract is provided over the period of contract.
- iv) Derivatives and Hedging Contracts  
Financial derivatives and hedging contracts are accounted on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the profit and loss account, along with the underlying transactions.



- d) **Inventories**  
 Inventories are valued as follows:  
**Raw Material & Others:**  
 Lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on First In First Out (FIFO) basis.  
**Work in Progress and Finished Goods:**  
 Lower of cost or net realisable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.  
**By Products and Waste :** Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.
- e) **Investments**  
 Investments are stated at Cost less provision for diminution in value.
- f) **Employees Benefits**  
 The employees' gratuity fund and leave encashment schemes are the company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit credit Method.
- g) **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 measured.  
**Sale of Goods**  
 Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are net of return, volume discount, trade discounts & sales tax including excise duty.  
**Export Benefits**  
 Export benefits constituting import duty benefits under Duty Exemption Pass Book (DEPB) and Advance License Scheme are accounted for on accrual basis.  
**Interest Income**  
 Interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.
- h) **Borrowing cost**  
 Interest & other costs incurred by the company in connection with the borrowing of funds are recognised as expenses during the period in which they are incurred unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.
- i) **Accounting for Taxes on Income**  
 Provision for tax on income is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.
- j) **Impairment of Assets**  
 Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.
- k) **Intangibles**  
 Intangible assets, software etc. are accounted at their cost of acquisition and amortised over their estimated economic life not exceeding 5 years. Leasehold improvements are charged to the Profit & Loss Account over the primary period of lease.



l) **Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

m) **Earnings Per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year and adjusted for the effects of all dilutive potential Equity Shares.

n) **Miscellaneous Expenditure**

Miscellaneous expenditure represents expenses incurred for issue of share capital. The same are written off over a period of five years in equal installments.

III. **NOTES TO ACCOUNTS:**

1. (i) Contingent liabilities not provided for in respect of:

(Rs/Lacs)

PARTICULARS	Year Ended March 31, 2009	Year Ended March 31, 2009
a) Letters of Credit	195.88	–
b) Unexpired Letter of Guarantees	188.00	188.00
c) Excise/Customs	874.93	789.17
d) Sales Tax demand	18.67	0.79
e) Income Tax demand	49.81	49.81
f) Claims not acknowledged as debts	55.87	54.26

Based on the favourable decision in similar cases and discussion with solicitors etc. the company believes that there is fair chance of decisions in its favour in respect of all the above items, hence no provision is considered as necessary against the same.

(ii) The company carries an export obligation of Rs.2219.80 lacs under EPCG against duty free import of plant & machinery and Rs.5.92 lacs under advance license for duty free import of raw material.

- Capital contracts remaining to be executed (net of payments) and not provided for:-Rs. Nil (Previous year-Rs.1343.12 lacs)
- There was a fire at company's Monofilament Yarn unit at Noida (UP) on April 18, 2009 and the company is in the process of assessing the loss. The company has informed the insurers about the incident, who have appointed a Surveyor to assess the loss. **However, operations of the unit have been resumed from April 24, 2009.**
- During the year, the company has redeemed its outstanding 0.10% Non-convertible Cumulative Redeemable Preference Shares of Rs.1250.00 lacs which as per terms of issue were to be redeemed, 25% each in the 11th and 12th year and the balance 50% in the 13th year from the date of allotment along with accumulated future dividend thereon at Rs.356.58 lacs, being the Net Present Value (NPV) computed at 12.50% p.a.. The difference amount of Rs.893.42 lacs has been credited to Capital Reserve.

5. **Auditor's Remuneration**

(Rs./ Lacs)

PARTICULARS	Year Ended March 31, 2009	Year Ended March 31, 2008
a) Audit Fees	3.64	2.81
b) Tax Audit Fees	0.77	0.56
c) Out of Pocket Expenses	0.17	0.11
	<b>4.58</b>	<b>3.48</b>

Note : Auditors Remuneration includes service tax of Rs. 0.41 lacs (previous year Rs. 0.37 lacs)



<b>6. Managerial Remuneration:</b>		<b>(Rs./ Lacs)</b>	
<b>PARTICULARS</b>	<b>Year Ended March 31, 2009</b>	<b>Year Ended March 31, 2008</b>	
a) Salary & Allowances	38.69	22.08	
b) Employer's Contribution to PF	0.28	0.28	
c) Value of Perquisites	11.30	8.54	
d) Commission	47.06	41.41	
	<b>97.33</b>	<b>72.31</b>	

Managing & the Joint Managing Directors are covered under the company's Gratuity and Leave encashment rules with the other employees of the company. The gratuity and leave encashment liabilities are determined for all the employees on an independent actuarial valuation. Such liabilities for these Directors cannot be ascertained separately and therefore the same has not been included in the above.

7. Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956 **(Rs/lacs)**

Profit before Taxation	1520.80
Add: Provision for Doubtful Debts	54.05
Loss on sale of assets	5.68
Remuneration to Directors	62.90
Commission	47.06
	1690.49
Less: Profit on sale of assets	121.85
Net Profit for the year available for Commission	1568.64
Commission @ 1% of Net Profit to each of the Managing Director & the Joint Managing Directors.	47.06

8. The Company has not received representation from any supplier confirming registration under "The Micro, Small & Medium Enterprises Development Act 2006". Accordingly, no provision for interest and disclosure as required are made.

9. Discontinued Operations:  
During the year company has discontinued the operations of its Wind Mill unit and the assets of the same were disposed off for Rs.216.00 lacs. The details attributable to the Wind Mill unit are as follows:

**(Rs/lacs)**

<b>Description</b>	<b>Year Ended March 31, 2009</b>
Carrying amount of assets as on Balance Sheet date	-
Total liabilities to be settled	-
Income attributable to Wind Mill operations	29.45
Expenses attributable to Wind Mill operations	6.27
Pre-tax profits	23.21
Tax (MAT)	2.63
Cash inflow from investing activity (Net of brokerage of Rs.4.32 lacs).	211.68



10. Earnings per Share (EPS) computed in accordance with AS-20 on 'Earnings per Share'

Description	(Rs/Lacs)	
	Year Ended March 31, 2009	Year Ended March 31, 2008
i) Net Profit after Tax	657.76	1051.84
Less: Extra ordinary items	0	6.04
Used as Numerator	657.76	1045.80
ii) Net Profit after Tax	657.76	1051.84
Less: Adjustment for proposed dividend on Preference shares for the year and tax thereon	0	0.78
Used as Numerator	657.76	1051.06
iii) Weighted average number of shares (No.in lacs) used as Denominator for calculating basic EPS	171.41	152.89
iv) EPS-Basic/Diluted before Extra ordinary items (in Rupees)	3.84	6.84
EPS-Basic/Diluted after Extra ordinary items (in Rupees)	3.84	6.87

11. Details of Deferred Tax Liabilities / (Assets) are as under:

S.No.	Description	(Rs/Lacs)	
		As on March 31, 2009	As on March 31, 2008
(a)	Deferred Liabilities: Timing difference on account of Depreciation	4356.95	4616.20
(b)	Deferred Assets: - Un-absorbed Depreciation & Business Losses	824.35	3703.60
	- Disallowance u/s 43B of Income Tax	188.43	131.46
	- Provision for doubtful debts	96.7	42.07
	Total Deferred Assets:	1109.48	3877.13
(c)	Net Deferred Liabilities / (Assets)	3247.47	739.07
(d)	Deferred Tax Liabilities /(Assets)	1103.81	251.21

12. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in manufacture of Synthetic Yarn & Textiles.

13. The company has recognized Rs.171.12 lacs (Previous year Rs.161.18 lacs including for earlier year Rs.15.28 lacs) as MAT credit entitlement based on future profitability projections and also income earned during the year. The management is confident that there would be sufficient taxable income in future which will enable company to utilize the MAT credit entitlement.

14. Derivative Instruments and Unhedged Foreign Currency Exposure:

i) Forward contract outstanding as at Balance Sheet date.

Particulars of Derivatives		March 31, 2009	March 31, 2008	Purpose
Buy	USD	86,91,076	69,93,495	Forward Cover for FCTL & FCL

ii) Particulars of Unhedged foreign Currency Exposures as at Balance Sheet date

Particulars	Amount in foreign Currency		Amount in Rupees (lacs)	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Import Creditors(USD)	-	42,450	-	17.04
Export Debtors (USD)	26,417	34,798	13.37	13.81



- iii) Premium for forward cover for unexpired period Rs.8.54 lacs has been carried over to next year (Previous year Rs.10.83 lacs has been charged to Profit & Loss Account).
- iv) Exchange difference of foreign currency transactions Rs.89.19 lacs (Previous Year Rs.42.05 lacs) has been charged to profits of the company.

15. Related Party Disclosure:

- (i) List of related parties with whom transactions have taken place and relationships:

- a) Key managerial personnel:
  - Shri Madhu Sudhan Bhageria
  - Shri Purrshottam Bhaggeria
  - Shri Madhav Bhaggeria
- b) Relative of key managerial personnel:
  - Shri Ram Avtar Bhageria (Father of related parties mentioned at (a) above.
- c) Enterprises owned or significantly influenced by key managerial personnel:
  - M/s Ram Avtar Bhageria (HUF)
  - M/s Madhu Sudhan Bhageria (HUF)
  - M/s Purrshottam Bhaggeria (HUF)
  - M/s Madhav Bhageria (HUF)
  - M/s Azimuth Investments Limited
  - M/s Fargo Estates Pvt. Ltd.
  - M/s Elevate Developers Pvt. Ltd.

- (ii) Transactions During the year with related parties (Rs. Lacs)

Nature of Transactions	Key Management Personnel	Relative of key managerial personnel	Enterprises owned in significantly influenced by key managerial personnel
Rent	13.77 (4.62)	4.76 (0.90)	- (2.29)
Loans taken	- (-)	- (-)	1140 (800)
Loans repaid	- (-)	- (-)	1790 (500)
Interest paid	- (-)	- (-)	41.49 (65.78)
Amount outstanding as on 31/03/09	- (-)	- (-)	250 (900)
Managerial Remuneration	Refer Note No.6		

No amount has been written off or provided for in respect of transactions with related parties.

- 16. An amount of Rs.775.07 lacs representing unabsorbed cenvat and service tax credits generated in the previous years due to excess of excise /service tax suffered on purchases is lying to the credit of the company in excise records, though the same had been charged to Profit & Loss Account of the relevant year as per prudent accounting norms. The same is recognized to the extent utilized during the relevant year.



17. The company has adopted Accounting Standard 15 (Revised 2005) Employee Benefits. Accordingly, the company has provided long term employee benefits on the basis of actuarial valuation done as per "Projected Unit Credit Method".

PARTICULARS	As on 31.03.2009		As on 31.03.2008	
	Gratuity	Leave Wages	Gratuity	Leave Wages
<b>RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF OBLIGATIONS</b>				
Present value of obligation at the beginning of the year	74.94	32.09	59.78	25.61
Current Service Cost	13.29	10.68	10.99	4.89
Interest Cost	5.81	2.49	4.63	1.98
Benefits paid	(3.49)	(5.75)	(4.98)	(4.63)
Net actuarial (Gain) / Loss recognized in the year	(1.38)	8.46	4.53	4.24
Present value of obligation at the end of the year	89.16	47.96	74.94	32.09
<b>RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AND FAIR VALUE OF PLAN ASSETS :</b>				
Present value of obligation at the end of the year	89.16	47.96	74.94	32.09
Fair value of plant assets at the year end	—	—	—	—
Net Liability recognized in the Balance Sheet	89.16	47.96	74.94	32.09
<b>COST OF THE YEAR :</b>				
Current service cost	13.29	10.68	10.99	4.89
Interest Cost	5.81	2.49	4.63	1.98
Net actuarial (Gain) / Loss recognized in the year	(1.38)	8.46	4.53	4.24
Net cost recognized during the year	17.71	21.62	20.15	11.11
<b>ASSUMPTION :</b>				
Discount Rate	7.00%	7.00%	7.75%	7.75%
Rate of Increase in compensation	8.00%	8.00%	8.00%	8.00%
Employees age group	34	34	33	33

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

18. The company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non- cancelable and are renewable by mutual consent. There is no restriction imposed by lease agreements. There are no sub leases.

PARTICULARS	Year Ended March 31, 2009	Year Ended March 31, 2008
Total Lease payment for the year	64.56	50.22
Minimum lease payments not later than One year	65.95	55.22
Later than one year but not later than 5 years.	270.25	220.87
Later than 5 years	345.10	276.09

**FILATEX INDIA LIMITED**



19. Additional information pursuant to the provisions of paragraph 3,4C & 4D of part II of the Schedule-VI of the Companies Act, 1956 (as certified by the Management):

**A) Details of Capacity & Production**

Class of Goods	Unit	Licensed Capacity	Installed Capacity (\$)		Actual Production	
			Year Ended March 31,2009	Year Ended March 31,2008	Year Ended March31, 2009	Year Ended March 31,2008
Polyester, Nylon & Polypropylene Monofilament Yarn	MT	#	1500	1500	1619.128	**1476.873
Polyester & Polypropylene Filament Yarn	MT	#	66523*	58585*	52839.197	***52509.442
Wind Electricity	MW	#	1	1	10.95##	13.71

# Delicensed

\$ Being a technical matter relied upon by auditors as certified by the Management.

\* Calculated at standard denier of 126 POY for Polyester 250 for Polypropylene.

\*\* Includes Job Work of 7.234MTs (Previous year 97.749 MTs)

\*\*\* Includes Captive Consumption of 6411.326 MTs (Previous year 5802.051 MTs)

## Operations of Wind Electricity Generation unit has been discontinued from October, 2008.

**B) Raw Materials Consumed (excluding traded goods)**

*Item	Year Ended March 31, 2009		Year Ended March 31, 2008	
	Quantity (MTs)	Value (Rs/Lacs)	Quantity (MTs)	Value (Rs/Lacs)
Polyester Chips	41702.313	21975.81	41036.423	22641.43
Nylon Chips	285.879	363.50	172.251	222.56
Polypropylene Chips	6485.879	4307.51	7166.663	4568.14
Partially Oriented Yarn	23.970	18.00	28.544	21.44
Others	-	2152.33	-	1691.08

**C) Particulars in respect of goods dealt with by the Company**

(Value/Rs/Lacs)

ITEMS	Opening Stock		Sales		Closing Stock	
	Qty(MTs)	Value	Qty(MTs)	Value	Qty(MTs)	Value
<b>(i) Manufactured Goods</b>						
Polyester, Nylon & Poly propylene Monofilament Yarn	95.781 (69.796)	92.02 (84.74)	*1674.319 (1450.458)	*2310.38 (1835.09)	40.590 (95.781)	42.09 (92.02)
Polyester & Polypropylene Multifilament Yarn	1209.922 (812.512)	825.39 (618.69)	46885.703 (46309.984)	35949.06 (35582.46)	752.090 (1209.922)	552.50 (825.39)
Wind Electricity	- (-)	- (-)	10.95 (13.71)	29.45 (36.68)	- (-)	- (-)
Waste/Scrap	- (-)	2.31 (2.62)	- (-)	139.05 (114.29)	- (-)	1.84 (2.31)
	1305.703 (882.308)	919.72 (706.05)	48560.022 (47760.872)	38427.93 (37568.52)	792.680 (1305.703)	596.43 (919.72)

Note: Figures given in brackets are for previous year.

\* Includes job work sale quantity 7.234 MTs amounting to Rs.1.99 lacs (Previous year 97.749 MTs amounting to Rs.18.86 lacs)



(ii) Traded Goods									(Value/Rs/Lacs)	
ITEMS	Opening Stock		Purchases		Sales		Closing Stock			
	Qty (MTs)	Value	Qty (MTs)	Value	Qty (Mts)	Value	Qty (MTs)	Value		
Spin Finish Oil (High Seas)	— (—)	— (—)	— (96.000)	— (89.81)	— (96.000)	— (90.80)	— (—)	— (—)		

Note : Figures given in brackets are for previous year.

**D) Value of imported and indigenous raw materials consumed & percentage thereof.**

DESCRIPTION	Year Ended March 31, 2009		Year Ended March 31, 2008	
	Value (Rs/lacs)	Percentage	Value (Rs/Lacs)	Percentage
i) Raw Materials				
– Imported	360.82	1.31	716.56	2.55
– Indigenous	27114.75	98.69	27357.06	97.45
	<b>27475.57</b>	<b>100</b>	<b>28073.62</b>	<b>100.00</b>
ii) Consumable/Spares				
– Imported	37.28	10.25	22.17	7.11
– Indigenous	326.42	89.75	289.52	92.89
	<b>363.70</b>	<b>100</b>	<b>311.69</b>	<b>100.00</b>

E) Value of Imports on CIF Basis			(Rs/Lacs)	
PARTICULARS	Year Ended March 31, 2009		Year Ended March 31, 2008	
i) Raw Materials*	242.95		669.87	
(ii) Capital Goods	1340.52		58.77	
(iii) Consumable/Spares	13.24		76.53	

\* Includes overseas merchanting trade of Rs.Nil (previous year Rs.89.81 lacs)

F) Expenditure in Foreign Currency (Payment Basis)			(Rs/Lacs)	
PARTICULARS	Year Ended March 31, 2009		Year Ended March 31, 2008	
i) Foreign Travel	12.34		30.47	
ii) Commission	1.72		2.13	
iii) Foreign Bank Charges	0.31		1.20	
iv) Fee & Participation	0.30		—	

G) Earnings in Foreign Exchange			(Rs/Lacs)	
PARTICULARS	Year Ended March 31, 2009		Year Ended March 31, 2008	
FOB Value of Export of Goods (excluding deemed exports)	122.70		146.33	

20. Figures have been rounded off to rupees in lacs.

21. Previous year figures have been re-grouped and/or rearranged wherever considered necessary.

The schedules referred to above and notes to accounts form an integral part of the Accounts

As per our report of even date attached  
for **AMOD AGRAWAL & ASSOCIATES**  
Chartered Accountants

**AMOD AGRAWAL**  
Partner  
Membership No. 84175

Place : New Delhi  
Date : 28.04.2009

for and on behalf of the Board

**RAM AVTAR BHAGERIA**  
Chairman

**MADHU SUDHAN BHAGERIA**  
Vice Chairman & Managing Director

**PURRSHOTTAM BHAGGERIA**  
Joint Managing Director

**S C PARIJA**, Director

**S P SETIA**, Director

**B B TANDON**, Director

**VIBHU BAKHRU**, Director

**SANJEEV GUPTA**  
Company Secretary

**R P GUPTA**  
President (F & A)



**Balance Sheet Abstract and Company's General Business Profile :**

<b>I. Registration Details:</b>		
Registration No.		00091
State Code		54
Balance Sheet Date		31.03.2009
<b>II. Capital Raised during the year</b>		
Public Issue		—
Rights Issue		—
Bonus Issue		—
Preferential Issue of Equity Shares		—
<b>III. Position of Mobilisation &amp; Deployment of Funds</b>		
Total Liabilities		14544.08
Total Assets		14544.08
<b>Source of Funds</b>		
Paid-up Capital		1714.14
Reserves & Surplus		5527.37
Secured Loans		4091.65
Unsecured Loans		337.28
<b>Application of Funds</b>		
Net Fixed Assets		9248.41
Investments		277.79
Net Current Assets		2138.24
Miscellaneous Expenditure		6.00
Accumulated Losses		—
<b>IV. Performance of the Company :</b>		
Total turnover (Net of Excise Duty)		35906.89
Total expenditure (Net of other income etc.)		34386.09
Profit/(Loss) before tax		1520.80
Provision for taxation (Net of MAT Credit Entitlement)		863.04
Profit/(Loss) after Tax		657.76
Earning per share - Basic before Extra ordinary items (in Rupees)		3.84
Basic after Extra ordinary items (in Rupees)		3.84
Dividend Rate		NIL
<b>V. Generic Name of Three Principal Products/Services of Company</b> (as per monetary terms)		
Item Code No.		5402
Product Description		Synthetic Filament Yarn
Item Code No.		5404
Product Description		Polyester, Nylon & Polypropylene Monofilament Yarn

The schedules referred to above and notes to accounts form an integral part of the Accounts

As per our report of even date attached  
for **AMOD AGRAWAL & ASSOCIATES**  
Chartered Accountants

**AMOD AGRAWAL**  
Partner  
Membership No. 84175

Place : New Delhi  
Date : 28.04.2009

for and on behalf of the Board

**RAM AVTAR BHAGERIA**  
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Joint Managing Director

**S C PARIJA**, Director

**S P SETIA**, Director

**B B TANDON**, Director

**VIBHU BAKHRU**, Director

**SANJEEV GUPTA**  
Company Secretary

**R P GUPTA**  
President (F & A)



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH, 2009**

(Rs./Lacs)

PARTICULARS	Year ended March 31, 2009	Year ended March 31, 2008
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit before Tax &amp; extra ordinary items</b>	<b>1520.80</b>	<b>1297.02</b>
Adjustments for :		
Depreciation	789.93	757.44
Interest (Net)	459.83	519.96
Interest Received	(8.13)	(47.22)
Adjustment for prior period expenses	–	2.63
Bad debts written off / provision of doubtful debts	63.15	12.65
Provision for dimunition in value of investments	23.26	–
Less: Profit/(Loss) on Sale of Fixed Assets	5.68	(2.61)
Less: Profit/(Loss) on Investment	71.79	–
Exceptional Items	(118.16)	(5.26)
Less: Dividend received	(18.03)	(0.98)
Misc. Expenditure Written off	2.00	2.00
<b>Operating Profit before Working Capital Changes</b>	<b>2792.12</b>	<b>2535.63</b>
Adjustments for :		
Trade & Other Receivables	207.29	(408.03)
Misc. Expenditure Written off	(5.91)	(10.00)
Provision for doubtful debts	(63.15)	(12.65)
Inventories	1186.04	(1017.80)
Trade Payables	(301.07)	419.43
<b>Net Cash from Operating Activities</b>	<b>3815.32</b>	<b>1506.58</b>
Net Prior year adjustment	–	2.63
Exceptional items	118.16	(5.26)
Direct Taxes paid	(216.10)	141.51
	<u>(97.94)</u>	<u>138.88</u>
<b>Net cash generated from operations</b>	<b><u>3717.38</u></b>	<b><u>1367.70</u></b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1561.47)	(364.24)
Purchase of Investments	(4120.00)	–
Sale of Investments (Net)	3818.95	0.46
Dividend received	18.03	0.98
Sale of Fixed Assets	225.35	6.83
Interest received	8.13	47.22
<b>Net Cash used in Investing Activities</b>	<b><u>(1611.01)</u></b>	<b><u>(308.75)</u></b>



**C. Cash Flow from Financing Activities**

Proceeds from Unsecured Loans	(961.78)	622.24
Proceeds from Short Term Borrowings	19.44	9.34
Proceeds from Long Term Loans	1623.33	78.50
Repayment of Long Term Loan	(645.52)	(3807.57)
Interest Paid	(459.83)	(519.96)
Redemption Preference Share Capital	(356.58)	–
Proceeds from issue of share capital	–	2450.00
<b>Net Cash Flow from Financing Activities</b>	<b>(780.94)</b>	<b>(1167.45)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>1325.43</b>	<b>(108.50)</b>
<b>Cash &amp; Cash Equivalent in the beginning of the year</b>	<b>25.90</b>	<b>134.40</b>
<b>Cash &amp; Cash Equivalent at the end of year</b>	<b>1351.33</b>	<b>25.90</b>
<b>Cash &amp; Cash Equivalent at the year end includes</b>		
Cash in hand	11.78	15.54
<b>Balance with scheduled Banks :</b>		
On Current accounts	36.31	10.36
On Cash Credit accounts	1303.24	–
On Term Deposits	39.48	152.29
	<u>1390.81</u>	<u>178.19</u>
Less : Term Deposits Pledged with Govt. Authorities & having maturity period of more than 3 months.	39.48	152.29
	<u>1351.33</u>	<u>25.90</u>

- Notes: 1. The above cash flow statement has been prepared under the indirect method setout in AS-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
2. Figures in brackets indicate cash outgo
3. Previous year figures have been regrouped wherever necessary.

The schedules referred to above and notes to accounts form an integral part of the Accounts

As per our report of even date attached  
for **AMOD AGRAWAL & ASSOCIATES**  
Chartered Accountants

**AMOD AGRAWAL**  
Partner  
Membership No. 84175

Place : New Delhi  
Date : 28.04.2009

**SANJEEV GUPTA**  
Company Secretary

**R P GUPTA**  
President (F & A)

for and on behalf of the Board

**RAM AVTAR BHAGERIA**  
Chairman

**MADHU SUDHAN BHAGERIA**  
Vice Chairman & Managing Director

**PURRSHOTTAM BHAGGERIA**  
Joint Managing Director

**S C PARIJA**, Director

**S P SETIA**, Director

**B B TANDON**, Director

**VIBHU BAKHRU**, Director

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**FILATEX INDIA LIMITED**  
 REGD. OFFICE: SURVEY NO.274, DEMNI ROAD, DADRA  
 (U.T. OF DADRA & NAGAR HAVELI) 396 191.

**ADMISSION SLIP**

PLEASE COMPLETE THE ADMISSION SLIP AND HAND IT OVER AT THE ADMISSION COUNTER.

LF. No./DP Id/Client Id	:
NAME OF THE MEMBER/PROXY	:

I HEREBY RECORD MY PRESENCE AT THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, 25TH SEPTEMBER 2009 AT 9.30 A.M. AT SURVEY NO. 274, DEMNI ROAD, DADRA (U.T. OF DADRA & NAGAR HAVELI) 396 191.

SIGNATURE OF THE MEMBER/PROXY:
--------------------------------

NOTE: JOINTHOLDER(S) INTENDING TO ATTEND THE MEETING ARE REQUESTED TO OBTAIN ADDITIONAL ADMISSION SLIP FROM THE REGISTERED/CORPORATE OFFICE OF THE COMPANY ON OR BEFORE 23RD SEPTEMBER, 2009 TO AVOID INCONVENIENCE.

.....(Please tear here).....

**PROXY FORM**



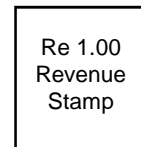
**FILATEX INDIA LIMITED**  
 REGD. OFFICE: SURVEY NO.274, DEMNI ROAD, DADRA  
 (U.T. OF DADRA & NAGAR HAVELI) 396 191.

**LF. No./DP Id/Client Id**

I/WE \_\_\_\_\_ OF \_\_\_\_\_ BEING A MEMBER/MEMBERS OF THE ABOVE NAMED COMPANY, HEREBY APPOINT \_\_\_\_\_ OF \_\_\_\_\_ OR FAILING HIM \_\_\_\_\_ OF \_\_\_\_\_ AS MY/OUR PROXY TO ATTEND AND VOTE FOR ME/US ON MY/OUR BEHALF AT THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON FRIDAY, 25TH SEPTEMBER 2009 AT 9.30 A.M. AT SURVEY NO. 274, DEMNI ROAD, DADRA (U.T. OF DADRA & NAGAR HAVELI) 396 191 AND AT ANY ADJOURNMENT THEREOF.

Signature \_\_\_\_\_

Date \_\_\_\_\_



Note: Proxy Form must reach the Company's Registered Office not less than 48 hours before the scheduled time of the Meeting.

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*If undelivered, please return to :*

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