



# 16th Annual Report

2009-2010

**Board of Directors**

Raghu Raj	-	Director
Subhash Kothari	-	Director
D.P.Kelkar	-	Director
Nortan Bothra	-	Director
Sanjay I. Bora	-	Director
Rajkumar Bidawatka	-	Director
Prabhat Sethia	-	Managing Director

**Registered Office**

MayFair Gardens 80-6-682/3/A & 3B  
Flat No.201, Second Floor,  
Road No.12  
Banjara Hills,Hyderabad- 500 034.

**Works**

Alinagar, Chettla Potharam Village,  
Jeenaram , Mandal, Medak District.

**Bankers**

*HDFC/ HSBC/ YES BANK.*

**Auditors**

M/s N.G. Rao & Associates,  
Chartered Accountants, Hyderabad.

**Share Transfer Agents**

M/s Sharex Dyanamic (I) Pvt. Ltd  
Unit No.1, Luthra Ind. Premises,  
Andheri- Kurla Road,  
Safed Pool, Andheri ( E) Mumbai- 400 072.  
Phone : 022-28515606,Fax :022-28512885



## **NOTICE**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of FILATEX FASHIONS LIMITED will be held on Friday, 31st December, 2010 at 11.30 AM at Registered Office of the Company at, MayFair Gardens 80-6-682/3/A & 3B Flat No.201, Second Floor, Road No.12 Banjara Hills, Hyderabad- 500 034 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2010 the Profit & Loss Account for the year ended as on that date and the Reports of the Directors' and the Auditor's thereon.
2. To consider Re-appointment of M/s. N.G. Rao & Associates, Chartered Accountants, Begumpet, Hyderabad, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

Place: Hyderabad  
Date: 06.12.2010

By order of the Board

Prabhat Sethia  
Managing Director

### **Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 30th November 2010 to 4th December 2010 (both days inclusive).
3. Members/ Proxies are requested to bring their copy of Annual Report to the meeting and attendance slip should be duly filled in for attending the Meeting.
4. Members are requested to send all correspondence relating to the shares to the Share Transfer Registrars M/s Sharex Dynamic ( India) Private Limited, Unit No. 1, Luthra Ind. Premises, Andheri- Kurla Road, Safed Pool, Andheri ( E), Mumbai- 400 072  
Phone: 022 28515606, FAX: 022- 28512885.



## POSTAL BALLOT

Dear Members,

### **NOTICE U/s 192A of the Companies Act, 1956**

#### **Alteration of Objects Clause of the Memorandum of Association of the Company:**

#### **Draft Special Resolution:**

“RESOLVED THAT pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, Objects Clause of Memorandum of Association of the Company be and are hereby altered by adding the following Clauses 4 after the existing Clause 3 of the Main Objects clause as under:

4. To undertake the business of trading, purchase, sale, import, export, exchange, modify, design, develop, improve, print, insulate, hire, let on hire, exhibit, inform and to act as wholesalers, representative, retailer, agent, stockiest, distributor, executors or otherwise to deal in all kinds of yarns, petrochemical products including but not limited to polyurethane and plastic products having applications in industry like Automobile, electrical, electronics, steel, cold rolling mills, irrigation and home appliances and also other products like Morph lines, substituted polyamines, carbonates – solvent plasticizers, urethane chemicals, glycols- functional fluids, epoxy curing agents, polytharamines, polyols, Isocynates, Polyurethane Elastomers- cellular and non- cellular, Thermoplastics, Polyurethane elastomers, minerals, metals, ores, bulk chemicals, whether for industrial or domestic usage in India or abroad.

“ RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to take all necessary action in connection with giving effect to the above resolution.”

#### **EXPLANATORY STATEMENT U/s 173(2) and 192A of the Companies Act, 1956**

Your Company proposes to undertake new business activities as the business in the field of manufacture of socks and trading of textile products. Hence the Board of Directors of the Company have decided to undertake business in the field of trading of all kinds of petrochemical based products and other related areas in addition to the existing business, in order to add to shareholder value.

Undertaking of such new business requires alteration of Objects clause of Memorandum of Association of the Company for inclusion of objects to undertake business in the field of trading of all kinds of petrochemical based products. In this connection it is considered



of trading of all kinds of petrochemical based products. In this connection it is considered proper to add the new Clauses 4 after the existing Clause 3 of the Main Objects Clause of the memorandum of Association of the Company

None of the Directors of the Company is interested in the resolution.

Since the proposal comes under the ambit of Section 17 your approval is being sought as under the provisions of Section 192A of the said Act, read with Companies ( Passing of Resolutions by Postal Ballot) Rules, 2001 through a resolution to be passed by Postal Ballot as set out in the Notice.

You are requested to carefully read the instructions contained in the Postal Ballot Form and send the same after exercising your vote to the Scrutinizer **Mr. Ajay S Shrivastava, Practicing Company Secretary, 303, Durga Apartments, Rd. No. 10, Surya Nagar Colony, Somajiguda, Hyderabad – 500 082** who has been appointed as Scrutinizer by the Board of Directors for conducting vote by Postal Ballot.

Please note that all Forms duly completed should reach the Scrutinizer on or before 30th November 2010 to be able to announce the result of Ballot by the Chairman at the Annual General Meeting to be held on 4th December 2010 at 201, MayFair Gardens Rd. No. 12 Banjara Hills, Hyderabad - 500 034.



## FILATEX FASHIONS LIMITED

201, 2nd Floor, MayFair Gardens, Road No. 12, Banjara Hills, Hyderabad - 500034

### POSTAL BALLOT FORM

S. No.

1. Name of the shareholder ( in BLOCK letters) including Joint holder(s)	
Registered Address of the First/ sole named shareholder	
Registered Folio No./ Client ID No. ( Applicable to members holding shares in Demat Form)	
No. of Shares held	
I / We hereby exercise my/our vote in respect of the Special resolution to be passed through Postal Ballot for the business stated in the Notice of the Company by sending my/ our assent / dissent to the said resolution(s) by placing tick (*) mark at the appropriate box given below.	

Item No. 7 Special Resolution under Section 17 of the Companies Act, 1956 for alteration of Main Objects Clause of Memorandum of Association of the resolution	.No. of Shares		Please tick(*) in the appropriate box below
		I / We Assent to the Company	
		I / We Dissent to the resolution	

**Place :**

**Date:**

Signature of the shareholder

Please read the instructions printed overleaf before exercising the vote



## INSTRUCTIONS :

1. A member desiring to exercise vote by Postal Ballot may complete this Form and send to the Registered Office in the self addressed pre-paid envelope . Envelopes containing Postal Ballot Form, if sent by courier at the expense of Shareholder will also be accepted.
2. The self addressed postage pre-paid envelope bears the address of Scrutinizer appointed by the Board of Directors of the Company.
3. This Form should be signed by the First name shareholder. In case of Joint holding, by the First named holder and in his absence by the next holder ( as per the registered Specimen signatures).
4. Unsigned Postal Ballot Forms will be rejected.
5. Duly completed Postal Ballot Forms should reach the Company not later than the close of working hours on. 30th November, 2010. All Forms received after the said date will strictly be treated as if the reply from the member has not been received.
6. In case of shares held by Trusts, Societies, Companies etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution giving requisite authority to the person voting on the Postal Ballot Form.
7. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholder on the date of dispatch of the Notice for the said meeting ie.. 10th November, 2010.
8. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed Pre- paid envelope as the same will be sent to the Scrutinizer and any extraneous paper found in the envelope would be destroyed by the Scrutinizer.



To  
The Member  
**Filatex Fashion Limited**  
Hyderabad

Your Directors Have pleasure in presenting the Sixteenth Annual Report of the Company together with **Audited Annual accounts** for the year ended 31<sup>st</sup> March, 2010

### 1. Financial Results:

	(Rupees. in Lacs)	
	31.03.2010	31.03.2009
Net Sales	3847.10	3870.76
Increase/ Decrease in Stock		10.01
Other Income	0.78	0.72
Manufacturing/ Operating Expenses	3737.91	3575.55
Profit before Financial Expenses & Depreciation	109.97	269.17
Interest/ Financial Costs	1.81	0.11
Depreciation	---	43.57
Preliminary Expenses written off	---	--
Net Profit (Loss) after Financial Expenses & Depreciation	22.21	225.49

### 2. BUSINESS REVIEW:

The sales of the Company declined slightly to Rs. **3847.89 Lakhs** from previous year Rs. 3871.49 lakhs with Net profit of Rs. **22.21** Lakhs. The Company, in spite of tough competition in industry for export of textiles and turmoil after recovery from recession started, has been able to maintain adequate sales. The procurement of raw material for manufacture of textile raised and due to high manufacturing cost, coupled with lower margins on trading of textile related products

### 3. FUTURE OUTLOOK:

The Company is planning to increase the installed capacity for socks manufacturing and upgradation of plant & machinery and for that purpose, has procured new machines. The Company's efforts in trading of textile intermediary products like petrochemical, polyurethane, and other plastic products which enhances the scope of business to other industries like automobile, electronics are being accepted through which the Company can scale up its sales and diversify its risk, which act as a cushion in case of decline in one industry and can dilute adverse effect.





#### **4. AUDITORS:**

The Auditors M/s N.G.Rao & Associates ,Chartered Accountants, Hyderabad, who have been appointed by shareholders resolution dated 04.12.2010, shall hold office upto conclusion of the ensuing Annual General Meeting. The Board recommends their reappointment for the year 2010-2011.

The observations made by the Auditors in their report read with the Notes on Accounts are self explanatory and do not require any comments from Directors.

#### **5. FIXED DEPOSITS :**

Your Company has not accepted any fixed deposit from the Public or its shareholders during the year under the review.

#### **6. DIRECTORS RESPONSIBILITY STATEMENT:** In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) That in the preparation of the Annual accounts, the applicable accounting standards have been followed.
- (ii) That your Directors have selected such accounting policies and applied them consistently and made Judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period.
- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- (iv) That your Directors have prepared the Annual Accounts on a going concern concept.

#### **7. PARTICULARS OF EMPLOYEES:**

During the year under review, there were no employees drawing salaries equal or more than the limits laid under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 as amended.



## **8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given in the **Annexure forming part of this report.**

## **9. SUBSIDIARY :**

There are no subsidiaries to the Company as on date of the report.

## **10. CORPORATE GOVERNANCE CODE :**

The Code of Corporate Governance promulgated by Securities & Exchange Board of India continues to be implemented by your Company. The Report on Corporate Governance and other related information is annexed hereto. The Compliance Certificate on Corporate Governance has been received from the Statutory Auditors.

## **11. CODE OF CONDUCT :**

The Company has adopted a uniform Code of Conduct for Directors and Senior Management and above Officers level to ensure ethical standards and ensure compliance to the laid down standards.

## **12. ACKNOWLEDGMENTS**

Your Directors take this opportunity to express their grateful appreciation for the Co-operation and assistance by Central and State Governments, Banks, Raw material suppliers and business associates as well as shareholders. Your Directors also place on record their appreciation for the devoted services rendered by all employees.

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 06.12.2010

( Prabhat Sethia )  
Managing Director

( Raghu Raj )  
Director