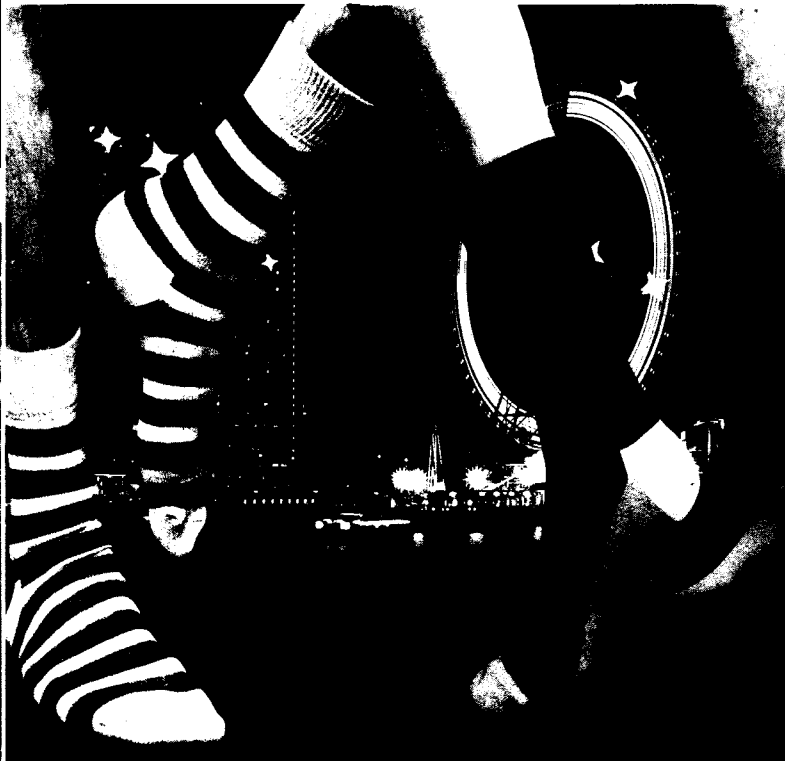




*Filatex Fashions Ltd.*



# CORPORATE INFORMATION



## BOARD OF DIRECTORS

**Prabhat Sethia**  
Managing Director

**Raghu Raj**  
Director

**Subhash Kothari**  
Director

**D.P. Kelkar**  
Director

**Nortan Bothra**  
Director

**Sanjay I. Bora**  
Director

## REGISTERED OFFICE

MayFair Gardens, 80-6-682/3/A & 3B  
Flat No. 201, 2nd 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 Dynamic (I) Pvt. Ltd.  
Unit No. 1, Luthra Ind. Premises,  
Andheri - Kurla Road,  
Safed Pool. Andheri (E) Mumbai - 400 072  
Ph: +91 22-28515606, Fax : +91 22 28512885

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## NOTICE

Notice is hereby given that the 17th Annual General Meeting of Filatex Fashions Limited will be held on 30th September 2011 at 10.00 A.M at May Fair Gardens, 8-2-682/3/A & 3B, Road no 12 ,Banjara Hills, Hyderabad – 500034 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2011, Profit and Loss account for the year ended as on that date together with the schedules and annexures thereto, the Reports of the Auditors' and Directors' thereon.
2. To re-appoint a Director in place of Mr. Sanjay Ishwarlal Bora who retires by rotation and being eligible, offers himself for reappointment.
3. To re-appoint a Director in place of Mr. Raghu Raj who retires by rotation and being eligible, offers himself for reappointment
4. To re-appoint M/s. N.G. Rao & Associates, Chartered Accountants as Auditors who shall 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.

**Place : Hyderabad**

**Date : 05/09/2011**

For and on behalf of the Board

**M/s. Filatex Fashion Limited**

Sd/-

Managing Director

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on a poll instead of himself / herself and the Proxy need not be a member of the Company.
2. Proxies, in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 27.09.2010 to 30.09.2010 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
5. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
6. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM.





## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report of the Company for the financial year ended 31st March 2011.

### FINANCIAL RESULTS

Particulars	Year ended	Year ended
	31st March, 2011	31st March, 2010
Net sales	6145.00	3847.10
Increase/ Decrease in Stock	3.52	---
Other Income	7.43	0.78
Manufacturing/Operating Expenses	5993.37	3737.91
Profit before Financial Expenses & Depreciation	110.13	109.97
Interest/Financial Costs	3.91	1.81
Depreciation	59.40	57.65
Preliminary Expenses written off	-	---
Net Profit (Loss) after Financial Expenses & Depreciation.	31.40	22.21

### OPERATIONS

The Company has recorded a turnover of ₹ 6152.43 lacs in the current year against the turnover of ₹ 3847.01 in the previous financial year ending 31.03.2011. The Company has earned profit of ₹ 90.80 lacs against the profit of ₹ 79.86 in the previous year.

The Company has been continuously working on quality up gradation and cost reduction plans.

### DIVIDEND

Your directors express their inability to recommend any dividend for the financial year 2010-2011.

### PUBLIC DEPOSITS

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

### LISTING

The equity shares of your company are listed on Bombay Stock Exchange Limited.





## **DIRECTORS**

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Directors namely Mr. Sanjay Ishwarlal Bora and Mr. Raghu Raj retire by rotation and are eligible for reappointment.

Your Board recommends the re-appointment of the Directors above in the best interests of the company.

## **CODE OF CONDUCT**

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in Annexure.

## **STATUTORY AUDITORS**

M/s. N.G. Rao & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility by submitting a Certificate under Section 224 (1B) of the Companies Act, 1956 and willingness to accept office, if re-appointed. Hence M/s. N.G. Rao & Associates, are hereby recommended for re- appointment as Statutory Auditors of the Company till the conclusion of the next Annual General meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed by the Board that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) Appropriate accounting policies have been selected and applied them consistently and have made judgment 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 loss of the company for the financial year ended 31st March, 2011.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) Directors had prepared the annual accounts on a going concern basis.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis (MDA) of the Company for the year under review is attached to and forms part of this report.

## **PARTICULARS OF EMPLOYEES**

Your Company has no employee whose salary exceeds the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

Information pursuant to the companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.



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

### A. CONSERVATION OF ENERGY

- (a) Energy Conservation measures taken: Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy-efficient computers and purchase of energy efficient equipment.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil
- (c) Impact of the measures (a) and (b) above for energy consumption and consequent impact on the cost of production of goods: Nil

### B. TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company  
The company continues to focus on R & D activities for developing and improving the quality and enhancing the benefits by adding new machines and technology
2. Benefits derived as a result of the R & D  
Research and development of new services & processes will continue to be of importance to your company.
3. Future plan of Action  
The Company continues to strive for development of new products and improving the existing ones in order to meet the changing requirements and to cater to customer needs.
4. Expenditure on R & D  
The company has not incurred any capital expenditure except a small amount towards salaries related to R & D
5. Technology Absorption, Adaptation and Innovation:  
Company is planning to negotiate a new brand name.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings : NIL

Outgo : INR 1.10 Cr.

### CORPORATE GOVERNANCE

The Report on Corporate Governance along with the certificate from the Statutory Auditors certifying the compliance of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges is included in the Annual Report.





#### **ACKNOWLEDGMENTS**

Your Directors are pleased to place on record their sincere appreciation to the Company's Bankers, employees, customers, suppliers and shareholders for their valuable support and co-operation.

#### **DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT**

The shareholders,

I Prabhat Sethia, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

Place : Hyderabad  
Date : 05/09/2011

For and on behalf of the Board of Directors of  
Filatex Fashions Limited

Sd/-  
Raghu Raj  
Director





## REPORT ON CORPORATE GOVERNANCE

### A. MANDATORY REQUIREMENTS

#### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

M/s. Filatex Fashions Limited is committed to good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. The Board of Directors of the Company believes in a good corporate governance practice, which enables the management to direct and control the affairs of the Company in an efficient manner, so as to achieve the Company's goal of maximizing value for all its stakeholders. The Company has a strong legacy of fair, transparent and ethical governance practices.

The company's core philosophy on the code of corporate governance is to ensure:

- Fair and transparent business practices.
- Accountability for performance.
- Compliance of applicable statute
- Transparent and timely disclosure of financial and management information.
- Effective management control and monitoring of executive performance by the Board.
- Adequate representation of professionally qualified non executive and independent Directors on Board.

We have pleasure in reporting that requirement of Stock Exchange Regulations and the provisions of the Listing Agreement, the compliance report on the corporate governance have been complied with in all features.

#### II. BOARD OF DIRECTORS

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Memberships held by them in other companies is given below. Other Directorships do not include alternate Directorships, Directorships of Private Ltd Companies and of Companies incorporated outside India. Chairmanship/Membership of Board Committees includes Membership of Audit, Remuneration and Shareholders/Investors Grievance Committees.

#### COMPOSITION

The Board represents an optimum mix of professionalism, knowledge and experience. As on March 31, 2011, we had a total strength 6 Directors in the Board, comprising of: 1 Executive Directors and 5 Non-executive Directors (all the 5 of them are Independent Directors). The Company immensely benefits from the professional expertise of the independent Directors. The Board has an adequate combination of Executive, Non-Executive and Independent Directors.





**Table : 1 Key information pertaining to Directors as on 31st March, 2010**

	M: Prabhat Sethia	Off: Subhash Kothari	Off: D.P. Ke	M: Noran	M: Raghu	M: Sanjay	M: Rajkumar Bidwatka**
Category	Managing Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Directorship in other Public Companies	-	-	-	1	-	-	1
Chairmanship in Committees of Board of other Companies	-	-	-	-	-	-	-
Membership in Committees of Board of other Companies	-	-	-	-	-	-	-
No. of Board Meetings held/attended	8/8	8/NIL	8/1	8/5	8/6	8/7	8/Nil
Attendance at the last AGM held on Sept. 24, 2009	Yes	No	No	Yes	Yes	Yes	No

\*\*Rajkumar Bidwatka resigned from the Board w.e.f. May 20, 2011

## BOARD MEETINGS

Our Secretarial Department in consultation with the Key Managerial Personnel, Executive Directors and with Board Governance decided the dates on Board Meetings, the schedule of Board Meeting and Board Committee Meetings are communicated in advance to all the Directors to enable them to schedule their meetings. Our Board met Eight times in the Financial Year 2010-11.