

FILATEX FASHION LIMITED

29th Annual Report

2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sl. No	Name of the Director	Designation	DIN
1.	Mr. Prabhat Sethia	Managing Director	DIN: 00699415
2.	Mrs. Sangeeta Sethia	Non-Executive & Non- Independent Director	DIN: 02600900
3.	Mr. Nageshwara Rao Chitirala	Non-Executive & Independent Director	DIN: 02197018
4.	Mr. Arun Sharma	Non-Executive & Independent Director	DIN: 09180139
5.	Mr. Swapnil Prakash Raka	Non-Executive & Independent Director	DIN: 01815313
6.	Mr. Vallam Setty Raghuram	Non-Executive Director	DIN: 08037371

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Chanchal Sethia

REGISTERED OFFICE - D.No 1-80-40-SP-58-65, Shilpa Homes Layout,
Gachibowli, Seri Lingampally, K.V.Rangareddy,
Hyderabad, Telangana - 500032.
Ph. No: 040-66748931 / 2332874
Fax: 040-66748930 / 23328747

STATUTORY AUDITORS - M/s. Pundarikashyam and Associates
Chartered Accountants
1-8-435/436, 2nd Floor, Durga Towers,
Beside Rasoolpura Metro Station,
Begumpet, Hyderabad - 500016.

SECRETARIAL AUDITORS - M/s. Manoj Parakh & Associates
Practicing Company Secretaries
Flat No. FF5, D.No. 48-7-32, Destiny Towers,
Rama Talkies Road, Srinagar,
Visakhapatnam-530016.

BANKERS - Karur Vysya Bank.
Kotak Mahindra Bank.

AUDIT COMMITTEE

Mr. Swapnil Prakash Raka
Mr. Arun Sharma
Mr. Nageshwara Rao Chitirala

- Chairman
- Member
- Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Nageshwara Rao Chitirala
Mr. Arun Sharma
Mr. Swapnil Prakash Raka

- Chairman
- Member
- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Arun Sharma
Mr. Nageshwara Rao Chitirala
Mr. Swapnil Prakash Raka

- Chairman
- Member
- Member

INDEPENDENT DIRECTORS

Mr. Arun Sharma
Mr. Nageshwara Rao Chitirala
Mr. Swapnil Prakash Raka

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime (India) Pvt Ltd.,
C-101, 247 Park, LBS Marg,
Vikhroli (W), Mumbai – 400083

LISTED AT STOCK EXCHANGE

: BSE Limited

DEMAT ISIN NUMBER IN NSDL & CDSL

: INE185E01013

WEBSITE

: www.filatexfashions.co.in

INVESTOR E-MAIL ID

: unisox@yahoo.com

CORPORATE IDENTITY NUMBER

: L51491TG1994PLC017158

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of Filatex Fashions Limited will be held on Saturday, the 30th day of September, 2023 at 4.00 P.M. through Video Conferencing/ Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31st, 2023, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. Sangeeta Sethia (DIN: 02600900) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. REVISION OF REMUNERATION PAYABLE TO MR. PRABHAT SETHIA AS MANAGING DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution: -

“RESOLVED THAT pursuant to the provisions of Section 178 and 197 read with Schedule V and other applicable provisions, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and Regulation 17 of SEBI (LODR) Regulations, 2015, the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors, the consent of the members of the Company be and is hereby accorded for revision and increase in remuneration payable to Mr. Prabhat Sethia as Managing Director of the Company w.e.f. 01.01.2023 to Rs. 5,00,000 per month besides providing the Mercedes Benz Car along with Driver the expenses of which shall also be reimbursed or payable to Mr. Prabhat Sethia as Managing Director during his present tenure.”

“RESOLVED FURTHER THAT, in case of inadequacy of profits in any of the financial years, Mr. Prabhat Sethia be paid and allowed same remuneration, perquisites and allowances as minimum remuneration for a period not exceeding three years.”

“RESOLVED FURTHER THAT any of the directors, be and is hereby authorized file necessary e-forms with the Registrar of Companies, Telangana and the board is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

4. RE-APPOINTMENT OF AND REMUNARATION PAYABLE TO MR. PRABHAT SETHIA AS MANAGING DIRECTOR OF THE COMPANY (Brief Profile: Annexure A to this Notice)

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 178,196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the timebeing in force),and Regulation17 of the SEBI(LODR) Regulation 2015, Recommendation of the Nomination and Remuneration Committee and apporval of the Board of Directors approval of the members be and is hereby accorded for the re-appointment of Mr. Prabhat Sethia (DIN: 00699415) as Managing Director of the Company, for a period of 3 (Three) years with effect from September 08, 2023 on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (herein referred as Board) to review or revise the terms and conditions as mentioned in the annexure/Explanatory statement.” -

“RESOLVED FURTHER THAT Mr. Prabhat Sethia, Managing Director, be allowed and paid during his aforesaid tenure, a remuneration of Rs. 5,00,000 per month besides providing the Mercedes Benz Car along with Driver expenses of which will also be reimbursed or payable to Mr. Prabhat Sethia as Managing Director during his aforesaid tenure.”

“RESOLVED FURTHER THAT in case of inadequacy of profits in any of the financial years,Mr. Prabhat Sethia be paid and allowed same remuneration, perquisites and allowances as minimum remuneration for a period not exceeding three years.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorized file necessary e-forms with the Registrar of Companies, Telangana and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto to give effect to this resolution.”

5. APPOINTMENT OF MR. SWAPNIL PRAKASH RAKA (DIN: 01815313) AS AN INDEPENDENT DIRECTOR OF THE COMPANY (Brief Profile: Annexure A to this Notice).

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Provisions of SEBI (LODR) Regulations, 2015, Mr. Swapnil Prakash Raka (DIN: 01815313), who was appointed as additional Director of the Company in the Independent category in the board meeting held on 08.09.2023 and holds office up to the date of the ensuing annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years with effect from 08.09.2023 to 07.09.2028 who shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. CHANGE IN DESIGNATION OF MR. VALLAM SETTY RAGHURAM TO NON – EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded to redesignate Mr. Vallam Setty Raghuram as Non-Executive Director of the Company w.e.f 08.09.2023 and shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Hyderabad

Date:08.09.2023

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

**Prabhat Sethia
Managing Director
DIN: 00699415**

EXPLANATORY STATEMENT
PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

**Item No.3: Revision and increase of remuneration payable to Mr. Prabhat Sethia as
Managing Director of the Company**

**Item No.4: Re-appointment of and remuneration payable to Mr. Prabhat Sethia as Managing
Director of the Company**

Pursuant to the recommendations of the Nomination and Remuneration Committee, evaluation of performance carried on by the Company earlier and having considered the contribution Mr. Prabhat Sethia in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the Company, the Board in its meeting held on 14.11.2022 revised and increased the remuneration payable to him as Managing Director with effect from 01.01.2023 to Rs. 500,000 per month during his present tenure and during the period of reappointment of 3 years w.e.f 08-09-2023. He will also be entitled for chauffeur driven car i.e., Mercedes Benz car with driver at the cost of the company.

INFORMATION IN ACCORDANCE WITH SCHEDULE V OF COMPANIES ACT, 2013

I. GENERAL INFORMATION

1. **Nature of Industry:** Textile Industry
2. **Date or expected date of commencement of commercial:** The Company started its commercial operations in the year 1994.
3. **In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects:** Not Applicable
4. **Financial performance based on given indications:**

Particulars	2020-21 (Rs. in Lakhs.)	2021-22 (Rs. in Lakhs.)	2022-23 (Rs. in Lakhs.)
Turnover	1731.82	11531.72	16410.83
Net Profit after Tax	11.54	290.61	1191.47

5. **Foreign investments or collaborations, if any:** Nil

II. INFORMATION ABOUT THE APPOINTEE

1. **Background Details:** Mr. Prabhat Sethia is a Commerce Graduate and hails from a renowned business family from Kolkata. He has successfully guided the company's growth strategy and enriched the technical aspects of the Business and has more than 34 years of rich experience in the field of spinning industry. He is providing guidance and mentoring the management of the company to execute and implement future growth strategy. He was first appointed on the Board with effect from 08/03/1994.
2. **Past Remuneration:** The remuneration drawn by Mr. Prabhat Sethia (DIN: 00699415) Managing Director was Rs 75,000/- per month earlier and Rs. 5,00,000/- per month w.e.f 01.01.2023.
3. **Recognition or awards:** None

4. Job Profile and his suitability:

The Industry in which Filatex Fashions Limited operates demands from the top management a great amount of experience in the field of Textiles, Manufacturing, Spinning and related activities

Mr. Prabhat Sethia was appointed as the Managing Director on 03.03.1994. He has been entrusted with the overall responsibility of the management of the Company and its affairs. He holds a Commerce degree. He has over 34 years of working experience in Spinning Industry.

5. Remuneration proposed:

As set out in the resolutions for the item No. 3 & 4, the remuneration to Mr. Prabhat Sethia, as Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors.

Increase of Remuneration payable to the Managing Director w.e.f. 01.01.2023 to Rs. 5,00,000/- per month and during the tenure of re- appointment w.e.f., 08.09.2023 of Rs. 5,00,000/- per month for a period of 3 years.

The Managing Director will also be entitled to be provided Mercedes Benz Car with Driver (perquisites) and allowances from 01.01.2023 to 31.08.2023 which was approved earlier and also during the tenure of re- appointment for a period of 3 years w.e.f. 01.09.2023.

6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration of the size of the Company, the profile of Mr. Prabhat Sethia and the responsibilities shouldered on him, the aforesaid remuneration package is comparable to the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, he is holding 11,92,015 Equity Shares of the Company. (1.23 % of paid up equity capital of the Company)

III. OTHER INFORMATION:

- Steps taken or proposed to be taken for improvement:** Necessary efforts are being made including securing new clients, diversification of business etc., to increase the production and efficiency which in turn will add to the growth of the business as well as the profitability.
- Expected increase in productivity and profit in measurable terms:** The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will increase considerably in the coming years

Item No. 5: Appointment of Mr. Swapnil Prakash Raka (Din: 01815313) as an Independent Director of the Company:

Mr. Swapnil Prakash Raka was appointed as an Additional Director of the Company on 08.09.2023 in terms of Section 161 (1) of the Companies Act, 2013 and provisions of SEBI (LODR) Regulations, 2015 in the category of 'Non-Executive Independent', who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and is eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013.

Accordingly, in order to ensure compliance with the provisions of SEBI (LODR) Regulations, 2015 and Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Swapnil Prakash Raka as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as an Additional Director i.e. w.e.f 08.09.2023 to 07.09.2028.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommend the passing of the above resolution as a Special Resolution set out in the item no. 5 of the notice for appointment of Mr. Swapnil Prakash Raka as an independent director.

Save and except Mr. Swapnil Prakash Raka, Independent Director, being the appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**Item No. 6: Change in Designation of Mr. Vallam Setty Raghuram to
Non – Executive Director of the Company**

Mr. Vallam Setty Raghuram was appointed as an Independent Director of the Company. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on 08.09.2023 has approved to redesignate Mr. Vallam Setty Raghuram as Non-Executive Director of the Company.

Accordingly, the Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no.6 of the notice. Save and except Mr. Vallam Setty Raghuram, himself, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Place: Hyderabad

Date:08.09.2023

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

**Prabhat Sethia
Managing Director
DIN: 00699415**

ANNEXURE-A: ITEM. 2, 4 & 5 OF THE NOTICE.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Swapnil Prakash Raka	Mr. Prabhat Sethia	Mrs. Sangeeta Sethia
Designation	Independent Director	Managing Director	Non-Executive Director
DIN	01815313	00699415	02600900
Date of Birth	28/12/1974	13/09/1961	31/12/1964
Age	49 Years	62 Years	59 Years
Date of First Appointment on the Board	08/09/2023	08/03/1994	31/03/2015
Qualification and Experience	He is a B.Com graduate from Pune University and have rich experience of 20 years in Infrastructure Sector	As mentioned under Item No 3 of the Explanatory Statement	She is B.Com graduate and has more than 26 years of rich experience in the field of Spinning industry. She is providing guidance and mentoring the management of the company to execute and implement future growth strategy.
Expertise in specific functional area	Infrastructure Sector	As mentioned under Item No. 3 of the Explanatory Statement	Manufacturing and Management
Relationships between Directors inter se	Not related	Spouse of Mrs. Sangeeta Sethia, Director	Spouse of Mr. Prabhat Sethia, Managing Director
Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*	Nil	Nil	Nil