



# **FILATEX INDIA LIMITED**

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**9th ANNUAL REPORT  
1998-99**

## **BOARD OF DIRECTORS**

Mr. Artur Roschker

Mr. D.P. Gupta

Mr. L.P. Aggarwal  
IDBI Nominee

Mr. MadhuSudhan Bhageria  
Managing Director

Mr. Madhav Bhageria  
Wholetime Director

Mr. Purushotam Bhageria  
Wholetime Director

Mr. S.P. Setia

## **COMPANY SECRETARY**

Mr. Sanjeev Gupta

## **BANKERS**

Oriental Bank of Commerce  
Punjab National Bank  
Union Bank of India

## **AUDITORS**

Arun K. Gupta & Associates,  
R-7A, Green Park,  
New Delhi - 110 016.

## **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 - 110 065

## **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)



## NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the members of FILATEX INDIA LIMITED will be held as scheduled below:

DAY : SATURDAY  
DATE : 25th SEPTEMBER, 1999  
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:

1. To receive, consider and adopt the Balance Sheet as at March 31, 1999 and the Profit & Loss Account of the Company 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 Mr. D.P. Gupta who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Purushotam Bhageria 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 next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

By Order of the Board of Directors  
for FILATEX INDIA LIMITED

PLACE : NEW DELHI  
DATE : 30.07.1999

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 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 16th September, 1999 to 25th September, 1999 (both days inclusive).
3. Members/Proxy holders are requested to produce at the entrance the enclosed Admission Slip duly completed and signed for admission to the meeting hall.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast ten days in advance so as to enable the Company to keep the information ready.

**FILATEX INDIA LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 9th Annual Report alongwith the Audited Accounts for the year ended March 31, 1999.

**FINANCIAL RESULTS**

Particulars	1998-99 (Rs. in lacs)	1997-98 (Rs. in lacs)
Sales/Income from Operations	10933	8387
Gross Profit before Interest, Depreciation & Taxation	1460	1512
Interest	1021	707
Depreciation	435	351
Provision for Taxation	-	7
Net Profit	4	447

*In the absence of adequate profits, your Directors regret their inability to recommend dividend for the year under review.*

**OPERATIONS & OUTLOOK**

In view of the continued recessionary conditions in the Synthetic Filament Yarn Industry and increase in raw material prices, margins of the Company were under pressure. Though the market of Synthetic Filament Yarn showed signs of improvement during the year under review, the demand growth for fabric was slow due to the general economic recession. Moreover, the problem of over supply in domestic market continues.

Your Company is now concentrating on producing yarns having high value addition. Your Company has implemented various measures for cost reduction so as to remain competitive. Your Company has commenced commercial production of its expansion project on 01.12.1998 which has resulted in increasing manufacturing capacity of Synthetic Filament Yarn from 6195 MT to 15200 MT. This will result in increased production and improved performance in the current year.

Your Company is one of the leading manufacturer of Synthetic Monofilament Yarn and is continuously exploring the possibilities for finding newer applications for better product mix.

**FIXED DEPOSITS**

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

**DIRECTORS**

Mr. A.C. Burman resigned from the Board of Directors of the Company due to pre-occupation. The Board of Directors place on record their appreciation for the valuable guidance and support given by Mr. A.C. Burman during his tenure as Director of the Company.

Mr. D.P. Gupta and Mr. Purushotam Bhageria, Directors, retire by rotation and are eligible for re-appointment.

**AUDITORS**

M/s Arun K Gupta & Associates, Chartered Accountants, Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. M/s Arun K Gupta & Associates have expressed their unwillingness to be reappointed as Auditors of the Company. It is proposed to appoint M/s Amod Agrawal & Associates, Chartered Accountants as the Auditors of the Company from the conclusion of the ensuing Annual General Meeting upto the conclusion of the next Annual General Meeting. M/s Amod Agrawal & Associates have furnished a certificate to the effect that their appointment, if made, at the ensuing Annual General Meeting will be within the limits specified under Section 224(I-B) of the Companies Act, 1956. The Company has received a notice from a member of the Company signifying his intention to propose the appointment of M/s Amod Agrawal & Associates as the Auditors of the Company.

The specific notes forming part of Accounts referred to in the Auditors' Report are self-explanatory and give complete information.

**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.

**PARTICULARS OF EMPLOYEES**

There are no employees in respect of whom the particulars are required to be furnished under Section 217 (2A) of the Companies Act, 1956.

**YEAR 2000 COMPLIANCE STATUS**

Your Company has upgraded its IT Systems and tested their Y2K compatibility. The cost to the Company on this is not considered material. Your Company does not expect any risk to its business continuity barring unforeseen circumstances.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the all round co-operation and contribution made by all the employees which contributed substantially to the growth of business of the Company.

Your Directors also wish to thank and gratefully acknowledge the sustained co-operation and support received by the Company from the Central and State Government Departments, Financial Institutions, Banks, Dealers, Vendors and Shareholders of the Company.

For and on behalf of the Board of Directors

Place: New Delhi.  
Date : 30.07.1999

**MADHUSUDHAN BHAGERIA**  
Managing Director

**PURUSHOTAM BHAGERIA**  
Wholtime Director



## 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:

- Special focus is given on energy conservation and continuous efforts are being made to reduce energy consumption.
- General awareness for energy conservation has been introduced with technical staff.

##### 2. Additional investment and proposal, if any, being implemented for reduction of consumption of energy:

- Constant monitoring of various energy consuming areas is being done.

##### 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:

- All efforts are directed to reduce energy consumption per unit of yarn.

##### 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 export markets for product services & export plans:  
Your Company is continuously exploring the possibilities for increasing its exports.
- b) Foreign Exchange earned : Rs. 629.87 Lacs  
Foreign Exchange used : Rs. 748.40 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 analysed and actual values are within the permissible norms.

#### FORM 'A'

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

	1998-99	1997-98
<b>A) Power and Fuel Consumption:</b>		
1. Electricity		
a) Purchased Units KWH	2,66,16,212	1,35,16,880
Total amount Rs.	5,93,43,838	2,98,95,318
Rate per unit Rs.	2.23	2.20
b) Own generation through DG Sets		
Units KWH	59,85,414	66,22,707
Units per Litre of Diesel Oil	3.42	3.52
Cost per unit Rs.	2.45	2.33
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others	Nil	Nil
<b>B) Consumption per unit of production (per Kg) :</b>		
Electricity (KWH)	1.64	2.13

#### 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:

- Special focus is being placed on Research & Development.
- New Deniers and speciality yarns have been developed for increased productivity with enhanced quality.

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

- Newer kind of end uses, e.g., FDY, thick & thin yarn.
- Increased production with lower cost.

##### 3. Future Plan of Action:

- Process Control Department has been established to improve and monitor the process operations.

##### 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:

- Efforts are being made for developing fully drawn and thick & thin yarns.

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

- Increase in production and improvement in quality of products.
- Reducing waste generation.

##### 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.