



FILATEX INDIA LIMITED

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**10th ANNUAL REPORT
1999-2000**

FILATEX INDIA LIMITED

BOARD OF DIRECTORS

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

Amod Agrawal & Associates,
D-58, East of Kailash,
New Delhi - 110 065.

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)

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NOTICE

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

DAY : FRIDAY
DATE : 29th SEPTEMBER, 2000
TIME : 11.00 A.M.
PLACE : SURVEY NO. 274, DEMNI ROAD, DADRA
(U.T. OF DADRA & NAGAR HAVELI) 396 191.

to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Balance Sheet as at March 31, 2000 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. Madhav Bhageria who retires by rotation, and being eligible, offers himself for re-appointment.**
3. **To appoint a Director in place of Mr. S.P. Setia 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.**

SPECIAL BUSINESS

5. **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 Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

The following new Article 3A be inserted after the existing Article 3

ARTICLE 3A

Definitions a. For the purpose of this Article: -

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities and Exchange Board of India; 'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities b. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for investors c. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the matter and within the time prescribed, issue to the beneficial owner the required Certificate(s) of Securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form d. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and Beneficial owners e. (i) Notwithstanding anything to the contrary contained in the Act of these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

FILATEX INDIA LIMITED

	(iii)	Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
Service of documents	f.	Notwithstanding anything in the Act or these articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	g.	Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with in a depository	h.	Notwithstanding anything in the Act or these articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive numbers of Securities held in a depository	i.	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.
Register and Index of Beneficial owners	j.	The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these articles.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the above resolution.

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:-

RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s), or re-enactments thereof for the time being in force and as may be enacted hereinafter), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Guidelines issued by Securities and Exchange Board of India from time to time, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) be and is hereby authorised to agree to if acceptable to the Board, the consent of the Company be and is hereby accorded to the Board to get the Equity Shares of the Company delisted from the Calcutta Stock Exchange Association Limited.

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

PLACE : NEW DELHI
DATE : 31.07.2000

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, 2000 to 29th September, 2000 (both days inclusive).
3. Documents referred to in the Notice and Explanatory Statement are open for inspection 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 this Meeting.
4. Members/Proxy holders are requested to produce at the entrance the enclosed Admission Slip duly completed and signed for admission to the meeting hall.
5. 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5**

With the introduction of the Depositories Act, 1996 and the Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a safe and more convenient method for holding and trading in the securities of a Company and hence the Company intends to provide the facility of holding the shares/securities in the Dematerialised form in addition to the holding of shares in physical form.

It is, therefore, proposed that the Articles of Association of the Company be suitably altered, as set out in the Resolution to incorporate the provisions introduced by the Depositories Act, 1996, and to spell out the rights of the beneficial owner(s) of the securities in such a system.

Your Directors recommend passing of this resolution as a SPECIAL RESOLUTION.

None of the Directors of the Company is concerned or interested in this Resolution.

Item No.6

The Equity Shares of the Company are listed on the Ahmedabad, Mumbai, Delhi and Calcutta Stock Exchanges. As the volume of trading in Company's Equity Shares on Calcutta Stock Exchange (CSE) is very low, the Company proposes to get its shares delisted from CSE at an appropriate time in future. In line with the SEBI regulations, member's approval is being sought by a Special Resolution for enabling voluntary delisting of its securities from CSE. The proposed delisting of the Company's shares from CSE will not adversely affect the investors. The delisting will take effect after all approvals, permissions and sanctions are received from appropriate authorities, if so required.

Your Directors recommend passing of this resolution as a SPECIAL RESOLUTION.

None of the Directors of the Company is concerned or interested this Resolution

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

PLACE : NEW DELHI
DATE : 31.07.2000

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SANJEEV GUPTA
COMPANY SECRETARY

FILATEX INDIA LIMITED**DIRECTORS' REPORT**

Your Directors present the Tenth Annual Report alongwith the Audited Accounts for the year ended March 31, 2000.

FINANCIAL RESULTS

Particulars	1999-2000	(Rs. in lacs)	1998-99
Sales/Income from Operations	16121		10951
Gross Profit before Interest,			
Depreciation & Taxation	980		1485
Interest	1445		1046
Depreciation	543		435
Net Profit / (Loss)	(1008)		4

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

OPERATIONS & OUTLOOK

The recessionary conditions in the Synthetic Filament Yarn Industry continued unabated during the year under review. The problem was further compounded by the steep increase in prices of raw material and cheaper imports of finished goods of yarn and fabric from South-East Asian countries. As a result, the margins were under severe pressure as increase in raw material prices resulted in higher manufacturing costs and cheaper imports led to reduction in selling prices. As sustained production is vital for survival, your Company continues to maintain high level of production and sales despite adverse circumstances. Your Company is continuously concentrating on producing yarns having high value addition.

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.

Your Directors are pleased to inform you that there has been a steady rise in exports and most of the exports consist of high value added products such as microfilament & dope dyed yarns to the developed countries of the world. The rising trend in exports has been maintained in the current year and it is expected that there will be a substantial increase in exports in the current year.

FIXED DEPOSITS

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

DIRECTORS

Mr. Artur Roschker 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. Artur Roschker during his tenure as Director of the Company.

Mr. Madhav Bhageria and Mr. S. P. Setia, Directors retire by rotation and are eligible for re-appointment.

AUDITORS

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

DEMATERIALISATION OF EQUITY SHARES

The Equity Shares of your Company have been mandated by Securities and Exchange Board of India for settlement only in Dematerialised form by all investors w.e.f. 25th September, 2000. The Company is in the process for making necessary arrangements with National Securities Depository Ltd. and Central Depository Services (India) Ltd. to facilitate the same.

STOCK EXCHANGE LISTING

The Equity Shares of your Company are listed on the Ahmedabad, Bombay, Delhi and Calcutta Stock Exchanges. The Annual Listing Fees has been paid to the aforesaid Stock Exchanges for the year 2000-2001. As the volume of trading in Company's Equity Shares on Calcutta Stock Exchange (CSE) is very low, the Company proposes to get its shares delisted from CSE at an appropriate time in future.

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.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the all round co-operation and contribution made by the employees at all levels 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, Customers, Vendors and Shareholders.

For and on behalf of the Board of Directors

PLACE: NEW DELHI
DATE : 31.07.2000

MADHUSUDHAN BHAGERIA
Managing Director

PURUSHOTAM BHAGERIA
Wholtime Director