



# **FILATEX INDIA LIMITED**

(AN ISO 9002 COMPANY)

Report  junction.com

**11th ANNUAL REPORT**  
**2000-2001**

## BOARD OF DIRECTORS

Mr. B.K. Batra  
IDBI Nominee

Mr. MadhuSudhan Bhageria  
Managing Director

Mr. Madhav Bhageria  
Wholetime Director

Mr. Purushotam Bhageria  
Wholetime Director

Mr. Rajesh Narain Gupta

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)

## CONTENTS

Notice	1
Directors' Report	5
Auditors' Report	8
Balance Sheet	10
Profit & Loss Account	11
Schedules	12
Cash Flow Statement	21



## NOTICE

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

<b>DAY</b>	<b>:</b>	<b>SATURDAY</b>
<b>DATE</b>	<b>:</b>	<b>29TH SEPTEMBER, 2001</b>
<b>TIME</b>	<b>:</b>	<b>9.30 A.M.</b>
<b>PLACE</b>	<b>:</b>	<b>SURVEY NO.274, DEMNI ROAD, DADRA (U.T. OF DADRA &amp; NAGAR HAVELI) 396 191.</b>

to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2001 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. Purushotam Bhageria who retires by rotation, and being eligible, offers himself for re-appointment.
3. 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

4. To consider and, if thought fit to pass with or without modification, the following resolution as an ORDINARY RESOLUTION: -

RESOLVED THAT Shri Rajesh Narain Gupta who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company.

5. To consider and, if thought fit to pass with or without modification, the following resolution as an ORDINARY RESOLUTION: -

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII to the Companies Act, 1956, and all other applicable provisions, if any, of the said Act including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such other approvals as may be necessary in this regard, Shri MadhuSudhan Bhageria be and is hereby reappointed as Managing Director of the Company for a period of 5 years w.e.f. 25.11.2000 on the following terms and conditions:-

Consolidated Salary : Rs. 30,000 - 3,000 - 42,000

Commission : One per cent of the net profits of the Company subject to a ceiling of 50% of the salary.

Perquisites and Allowances : In addition to the aforesaid consolidated salary and commission, Shri MadhuSudhan Bhageria shall also be entitled to perquisites like furnished accommodation or housing allowance in lieu thereof, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. in accordance with the Rules of the Company, the monetary value of such perquisites being limited to Rs. 45,000 per month, for the purposes of which limit:-

- (a) perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost;

**FILATEX INDIA LIMITED**

- (b) use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;
- (c) Company's contribution of Provident Fund and Superannuation Funds not exceeding 10% of the consolidated salary shall not be included;
- (d) Gratuity payable not exceeding half months salary for each completed year of service shall not be included; and
- (e) Earned Leave: Encashment of unavailed Earned Leaves at the end of each year on his request or at the end of his tenure.

RESOLVED FURTHER THAT the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the case of absence or inadequacy of profit for such year.

6. To consider and, if thought fit to pass with or without modification, the following resolution as an ORDINARY RESOLUTION: -

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII to the Companies Act, 1956, and all other applicable provisions, if any, of the said Act including any statutory modification(s) or re-enactment thereof for the time being in force and partial modification of the Ordinary Resolution previously passed at the Annual General Meeting held on 28th September, 1998 and subject to such other approvals as may be necessary in this regard, the salary, perquisites, allowances and commission be paid as given below to Shri Purushotam Bhageria, Wholetime Director with effect from 01.10.2000 for the remainder of tenure of his term upto 31.03.2003.

Consolidated Salary : Rs. 25,000 - 2,500 - 35,000

Commission : One per cent of the net profits of the Company subject to a ceiling of 50% of the salary.

Perquisites and Allowances : In addition to the aforesaid consolidated salary and commission, Shri Purushotam Bhageria shall also be entitled to perquisites like furnished accommodation or housing allowance in lieu thereof, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. in accordance with the Rules of the Company, the monetary value of such perquisites being limited to Rs. 37,500/- per month, for the purposes of which limit:-

- (a) perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost;
- (b) use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;
- (c) Company's contribution of Provident Fund and Superannuation Funds not exceeding 10% of the consolidated salary shall not be included;
- (d) Gratuity payable not exceeding half months salary for each completed year of service shall not be included; and
- (e) Earned Leave: Encashment of unavailed Earned Leaves at the end of each year on his request or at the end of his tenure.

RESOLVED FURTHER THAT the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the case of absence or inadequacy of profit for such year.

7. To consider and, if thought fit to pass with or without modification, the following resolution as an ORDINARY RESOLUTION: -

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII to the Companies Act, 1956, and all other applicable provisions, if any, of the said Act including any statutory modification(s) or re-enactment thereof for the time being in force and partial modification of the Ordinary Resolution previously passed at the Annual General Meeting held on 28th September, 1998 and subject to such other approvals as may be necessary in this regard, the salary, perquisites, allowances and commission be paid as given below to Shri Madhav Bhageria Wholetime Director with effect from



01.10.2000 for the remainder of tenure of his term upto 31.03.2003.

Consolidated Salary : Rs. 25,000 - 2,500 - 35,000

Commission : One per cent of the net profits of the Company subject to a ceiling of 50% of the salary.

Perquisites and Allowances : In addition to the aforesaid consolidated salary and commission, Shri Madhav Bhageria shall also be entitled to perquisites like furnished accommodation or housing allowance in lieu thereof, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. in accordance with the Rules of the Company, the monetary value of such perquisites being limited to Rs. 37,500/- per month, for the purposes of which limit:-

- (a) perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost;
- (b) use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;
- (c) Company's contribution of Provident Fund and Superannuation Funds not exceeding 10% of the consolidated salary shall not be included;
- (d) Gratuity payable not exceeding half months salary for each completed year of service shall not be included; and
- (e) Earned Leave: Encashment of unavailed Earned Leaves at the end of each year on his request or at the end of his tenure.

RESOLVED FURTHER THAT the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the case of absence or inadequacy of profit for such year.

By Order of the Board of Directors  
For FILATEX INDIA LIMITED

PLACE : NEW DELHI

DATE : 31.07.2001

REGISTERED OFFICE:

Survey No.274, Demni Road, Dadra  
(U.T. of Dadra & Nagar Haveli) 396 191

**SANJEEV GUPTA**  
COMPANY SECRETARY

#### 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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed to this Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 18th September, 2001 to 29th September, 2001 (both days inclusive).
4. 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.
5. Members/Proxy holders are requested to produce at the entrance the enclosed Admission Slip duly completed and signed for admission to the meeting hall.
6. 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****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 4**

Shri Rajesh Narain Gupta was co-opted as an Additional Director of the Company on 31.07.2001. Shri Gupta holds office upto the date of this Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from the members of the Company signifying their intention to propose the candidature of Shri Gupta to the office of the Director of the Company.

The Board of Directors consider that the continuance of Shri Rajesh Narain Gupta on the Board will be beneficial to the Company and recommend the resolution of his appointment for your approval.

None of the Directors of the Company except Shri Rajesh Narain Gupta is concerned or interested in this resolution.

**Item No. 5**

Shri MadhuSudhan Bhageria was appointed as Managing Director of the Company for a period of 5 years w.e.f. 25.11.1995. In view of the efforts put by Shri MadhuSudhan Bhageria towards the growth of the Company, the Board of Directors have subject to the approval of shareholders reappointed Shri MadhuSudhan Bhageria as Managing Director of the Company further period of 5 years w.e.f. 25.11.2000. The remuneration as set out in the resolution is in conformity with the guidelines for managerial remuneration contained in Schedule XIII to the Companies Act, 1956. However, Shri Madhu Sudhan Bhageria has availed the increased remuneration w.e.f. 1/4/2001.

Your Directors recommend passing of this resolution.

Except Shri MadhuSudhan Bhageria, Shri Purushotam Bhageria and Shri Madhav Bhageria none of the Directors of the Company is concerned or interested in the resolution.

**Item No. 6 & 7**

Shri Purushotam Bhageria and Madhav Bhageria were appointed as Wholtime Directors of the Company for a period of 5 years w.e.f. 01.04.1998. In view of the efforts put by Shri Purushotam Bhageria and Shri Madhav Bhageria towards the growth of the Company, the Board of Directors have subject to the approval of share holders increased the remuneration payable to Shri Purushotam Bhageria and Shri Madhav Bhageria w.e.f. 01.10.2000 for the remainder of their term upto 31.03.2003. The remuneration as set out in the resolution is in conformity with the guidelines for managerial remuneration contained in Schedule XIII to the Companies Act, 1956. . However, Shri Purushotam Bhageria and Shri Madhav Bhageria have availed the increased remuneration w.e.f. 1/4/2001.

Your Directors recommend passing of these resolutions.

Except Shri Purushotam Bhageria, Shri Madhav Bhageria and Shri MadhuSudhan Bhageria none of the Directors of the Company is concerned or interested in these resolutions.

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

PLACE : NEW DELHI  
DATE : 31.07.2001

**SANJEEV GUPTA**  
COMPANY SECRETARY



## DIRECTORS REPORT

Your Directors present the Eleventh Annual Report alongwith the Audited Accounts for the year ended March 31, 2001.

### FINANCIAL RESULTS

Particulars	2000-2001	1999-2000
	(Rs. in lacs)	
Sales/Income from Operations	14795	16121
Gross Profit before Interest, Depreciation & Taxation	853	980
Financial Charges	1298	1445
Depreciation	533	543
Net Profit / (Loss)	(978)	(1008)

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

### OPERATIONS & OUTLOOK

During the year under review, the Company achieved a gross sales of Rs.14140 lacs against Rs.15691 lacs in the previous year. The sales were lower due to increase in exports (including deemed exports) which do not attract excise duty and the gross sales realisation in case of exports is lower as compared to domestic sales.

During the later part of the year under review, the demand of Polyester Filament Yarn has increased and with no major capacities coming up in the near future the gap between the supply and demand is being narrowed down leading to increase in prices of PFY. The changes in the Union Budget 2001 lowering the import duty of raw material and the recent imposition of anti dumping duty of imports of POY from South East Asian Countries will help in improved performance during the current year. Your Company is continuously changing its product mix by producing yarns having higher value addition.

Your Company is one of the leading manufacturers 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 Industrial Development Bank of India the Lead Financial Institution has sanctioned the restructuring scheme for the Company's term liabilities. In terms of the said scheme, the Promoters have brought in their contribution of Rs.150 lacs in the Company.

Your Directors are pleased to inform you that there has been an increase in exports which is expected to be maintained in the current year. Your Company has exported to new and unconventional markets, which are expected to lead to even better results in the current financial year.

The Windmills of the Company are performing satisfactorily.

### FIXED DEPOSITS

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

### DIRECTORS

Since the last Annual General Meeting, IDBI has withdrawn Shri L.P. Aggarwal and nominated Shri B.K. Batra as its nominee Director on the Board. Shri D.P. Gupta resigned from the Board of Directors of the Company due to preoccupation. The Board of Directors place on record their appreciation for the valuable guidance and support given by Shri L.P. Aggarwal and Shri D.P. Gupta during their tenure as Directors of the Company. Shri Rajesh Narain Gupta was co-opted as Additional Director since the last Annual General meeting and holds office upto the date of the forthcoming Annual General Meeting. Requisite notices have been received under Section 257 of the Companies Act, 1956 from the members of the Company signifying their attention to propose him for the office of Director.

Shri. Purushotam Bhageria, Director retires by rotation and is eligible for re-appointment.



**FILATEX INDIA LIMITED**

---

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors report as under:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed ;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgments 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 that period;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts on a going concern basis.

**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.

**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 2001-2002.

**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 : 31.07.2001

**MADHUSUDHAN BHAGERIA**  
Managing Director

**PURUSHOTAM BHAGERIA**  
Wholetime Director