



FILATEX INDIA LIMITED

(AN ISO 9002 COMPANY)

12th ANNUAL REPORT
2001-2002

BOARD OF DIRECTORS

Mr. MadhuSudhan Bhageria
Chairman & Managing Director

Mr. Madhav Bhageria
Joint Managing Director

Mr. Purushotam Bhageria
Wholetime Director

Mr. B.K. Batra
IDBI Nominee

Mr. S.P. Setia

Mr. Yogesh Jain

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)

* Pazhavor Village, Tirunelveli,
Kathabomman District, Tamil Nadu

CONTENTS

Notice	1
Directors' Report	2
Auditors' Report	10
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Cash Flow Statement	25

**NOTICE**

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

DAY : SATURDAY
 DATE : 28TH SEPTEMBER, 2002
 TIME : 9.30 A.M.
 PLACE : SURVEY NO.274, DEMNIR 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, 2002 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 reappointment.
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 Yogesh Jain 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.

By Order of the Board of Directors
 For Filatex India Limited

Place : New Delhi
 Date : 31.07.2002

Sanjeev Gupta
 Company Secretary

Registered Office :
 Survey No.274, Demnir 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 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 17th September, 2002 to 28th September, 2002 (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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 4**

Shri Yogesh Jain was co-opted as an Additional Director of the Company on 23.05.2002. Shri Jain holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose the candidature of Shri Jain to the office of the Director of the Company.

The Board of Directors consider that the continuance of Shri Yogesh Jain 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 Yogesh Jain is concerned or interested in this resolution.

By Order of the Board of Directors
 For Filatex India Limited

Place : New Delhi
 Date : 31.07.2002

Sanjeev Gupta
 Company Secretary

EX INDIA LIMITED**DIRECTORS REPORT**

Your Directors' present the Twelfth Annual Report alongwith the Audited Accounts for the year ended March 31, 2002.

FINANCIAL RESULTS

Particulars	2001-2002	2000-2001
	(Rs. in lacs)	
Sales/Income from Operations	15898	14795
Gross Profit before Interest, Depreciation & Taxation	878	853
Financial charges	844	1298
Depreciation	544	533
Net Profit / (Loss)	(418)	(978)

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

OPERATIONS & OUTLOOK

Your Directors are pleased to report that your Company has recorded an improved performance during the year under review. During the year under review, the Company achieved a gross sales of Rs. 15898 lacs against Rs. 14795 lacs in the previous year despite adverse market conditions, strike in Surat market and disturbances/riots in the State of Gujarat. The Company continues to experience tight margins. However, the Company is meeting the challenges through continuous improvement in quality, reduction in costs and identifying new application opportunities.

With the polyester industry doing well, your Company is expected to show improved performance during the current year as compared to the year under review. With the polyester industry poised for further growth and polyester making inroads into new application areas, your Company proposes to increase its capacity further thereby reducing costs which will lead to improved performance.

Your Directors are pleased to inform you that the Corporate Debt Restructuring Cell has sanctioned the restructuring proposal which has been sanctioned and implemented by Industrial Development Bank of India, ICICI Ltd. & IDBI Bank Ltd. The Company is pursuing the sanction of restructuring package with Unit Trust of India, the other term lending institution.

The windmills of the Company are performing satisfactorily.

FIXED DEPOSITS

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

DIRECTORS

Shri Rajesh Narain 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 Rajesh Narain Gupta during his tenure as Director of the Company. Shri Yogesh Jain 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 notice has been received under Section 257 of the Companies Act, 1956 from a member of the Company signifying his attention to propose him for the office of Director.

Mr. Madhav Bhageria, Director, retires by rotation and is eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 viz., March 31, 2002 and of the loss of the Company for the year ended on that date;



- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure that all mandatory provisions of 'Corporate Governance' as provided in the Listing Agreements with the Stock Exchanges with which the Company's shares are listed are duly complied with.

A separate Report each on Corporate Governance and Management Discussion & Analysis are annexed hereto as Annexure 'A' alongwith the Auditors Certificate for its due compliance and Annexure 'B' respectively as part of Annual Report.

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. Your 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 2002-2003.

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 as Annexure 'C'

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 : 31.07.2002

MADHUSUDHAN BHAGERIA
Chairman & Managing Director

CORPORATE GOVERNANCE DISCLOSURE

ANNEXURE 'A'

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges given below is a report on the matters mentioned in the said Clause.

1. Company's Philosophy on Code of Governance

The Company believes in adopting the principles of good corporate governance and is committed to adopting highest standards of governance. The Company lays emphasis on integrity, transparency and accountability and full disclosure in all its facets of operations thereby creating and enhancing value for stakeholders and customers.

2. Board of Directors

As on the date of this report, the Board consists of 8 members out of which 3 are non-executive independent Directors. The non-executive Directors are eminent professionals in their respective fields.

During the year 2001-2002, the Board met 5 times on the following dates, namely, 30th June, 2001, 31st July, 2001, 30th October, 2001, 29th November, 2001 and 7th February, 2002.

FLATEX INDIA LIMITED

The following table gives details of directors, attendance of directors at the board meetings and at the last annual general meeting, number of membership held by directors in the board / committees of various companies :-

S. No.	Name	Category of Director	No. of Board Meetings held during their respective tenure	No. of Board Meetings attended	No. of other Directorships in Public Ltd. Co's	Committee Memberships	Committee Chairmanships	Last AGM Attended
1.	Mr. Madhu Sudhan Bhageria Chairman & Managing Director	Executive Director & Promoter	5	5	-	2	-	Yes
2.	Mr. Purushotam Bhageria Wholetime Director	Executive Director & Promoter	5	5	2	2	-	Yes
3.	Mr. Madhav Bhageria Joint Managing Director	Executive Director & Promoter	5	1	-	-	-	Yes
4.	Mr. L. P. Aggarwal	Non-Executive & Independent Director	2	2	2	1	-	N.A.
5.	Mr. B.K. Batra *a	Non-Executive & Independent Director	3	3	10	2	-	No
6.	Mr. D.P. Gupta *b	Non-Executive & Independent Director	2	1	-	-	-	N.A.
7.	Mr. Rajesh Narain Gupta *c	Non-Executive & Independent Director	3	2	-	2	1	No
8.	Mr. S.P. Setia	Non-Executive & Independent Director	5	5	1	2	2	Yes
9.	Mr. Yogesh Jain *d	Non-Executive & Independent Director	-	-	1	2	1	N.A.

* Nominee Director of IDBI upto 31st July, 2001.

*a Nominee Director of IDBI w.e.f. 1st August, 2001.

*b Resigned from the Board of Directors w.e.f. 31st July, 2001.

*c Appointed as Director w.e.f. 31st July, 2001 and resigned w.e.f. 7th February, 2002.

*d Appointed as Director w.e.f. 23rd May, 2002

3. Audit Committee

The Company has an Audit Committee comprising of 3 independent Directors namely, Shri S.P. Setia, Shri B.K. Batra and Shri Yogesh Jain with Shri S.P. Setia as the Chairman. The Company Secretary of the Company acts as the Secretary of the Committee. The Audit Committee has been constituted to exercise powers and discharge functions as stipulated in terms of Section 292A of the Companies Act, 1958 and Clause 49 of the Listing Agreement with the Stock Exchanges.

During the year 2001-02 the Committee met 5 times. The attendance at the meetings are as under :-

Date of Meeting	No. of Members present
30-06-2001	3
31-07-2001	3
30-10-2001	2
29-11-2001	3
07-02-2002	3

In addition to the Committee members, the Wholetime Directors, Sr. Vice President (F & CA), Internal Auditors and Statutory Auditors were also present at the meetings to answer the queries raised by the Committee members.

4. Shareholders'/Investors' Grievances Committee

The Committee comprises of Shri S.P. Setia, Shri Madhu Sudhan Bhageria and Shri Purushotam Bhageria with Shri S.P. Setia as the Chairman of the Committee. The said Committee has been constituted to approve the transfer/transmission of shares, split/consolidation/transposition of shares, issue of duplicate share certificates, review of shares dematerialised, monitor expeditious redressal of shareholders'/Investors' Grievances and all other matters related to shares. The Company attends to Investors griev-



ances/correspondence expeditiously and all efforts are made to reply immediately.

Mr. Sanjeev Gupta, Company Secretary is the Compliance Officer.

5. Details of Remuneration paid to the Directors during the Financial Year ended 31st March, 2002.

S. No.	Name of Director	Salary & Perquisites	Sitting Fees for Board & Committee Meetings	Total
1.	Mr. Madhusudan Bhageria	4,31,100	-	4,31,100
2.	Mr. Purushotam Bhageria	3,63,750	-	3,63,750
3.	Mr. Madhav Bhageria	3,87,750	-	3,87,750
4.	Mr. B.K. Batra (a)	-	7,000 *	7,000
5.	Mr. S.P. Setia	-	10,000	10,000
6.	Mr. Yogesh Jain (b)	-	-	-
7.	Mr. L.P. Aggarwal (c)	-	4,000 *	4,000
8.	Mr. Rajesh Narain Gupta (d)	-	5,000	5,000
9.	Mr. D.P. Gupta (e)	-	1,000	1,000

(*) Sitting fees in respect of these Directors is paid to IDBI, the Institution they represent as nominee Directors.

(a) Appointed as Nominee Director of IDBI w.e.f. 01-08-2001

(b) Appointed as a Director w.e.f. 23-06-2002

(c) Ceased to be a Nominee Director of IDBI w.e.f. 31-07-2001

(d) Appointed as a Director w.e.f. 31-07-2001 and resigned w.e.f. 07-02-2002.

(e) Resigned from the Board of Directors w.e.f. 31-07-2001

The Company has taken professional services from M/s S.N. Gupta & Co., a Solicitors firm in which Mr. Rajesh Narain Gupta is a Proprietor and M/s S.P. Setia & Associates Pvt. Ltd., a Technical Consultancy firm in which Mr. S.P. Setia is a Director during the financial year.

6. General Body Meetings:

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time	No. of Special Resolutions passed
1998-99	Survey No.274 Demni Road Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	25-09-1999	09.30 A.M.	-
1999-2000	Same as above	29-09-2000	11.00 A.M.	2
2000-2001	Same as above	29-09-2001	09.30 A.M.	-

Note:

None of the special resolutions passed at the said meetings was required to be put through postal ballot.

7. Disclosures

(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

8. Means of Communication

(a) The Company has published its quarterly results in The Indian Express (English), Mumbai and Gujarat Samachar (Gujarati) Mumbai, circulating in Dadra & Nagar Haveli.

(b) Management Discussion and Analysis forms part of this Annual Report which is being sent to the shareholders of the Company.

9. General Shareholder Information

9.1 Annual General Meeting:

- Date and Time

28th September, 2002 at 9.30 A.M.

- Venue

Survey No. 274, Demni Road, Dadra - 396191

(U.T. of Dadra & Nagar Haveli)

9.2 Financial Calendar (tentative)

Results for the quarter ending

30-06-2002

31st July, 2002

Results for the quarter ending

30-09-2002

Last week of October, 2002

Results for the quarter ending

31-12-2002

Last week of January, 2003

Results for the year/quarter ending

31-03-2003

Last week of April/June, 2003



EX INDIA LIMITED

- 9.3 Book Closure date : 17th September, 2002 to 28th September, 2002 (both days inclusive)
- 9.4 Dividend Payment Date : Not Applicable
- 9.5 Listing of Equity Shares on Stock Exchanges at : Ahmedabad, Mumbai, Delhi and Kolkata. Annual Listing fees for the year 2002-03 have been duly paid to all the above Stock Exchanges.
- 9.6 Stock Code :
- (a) Trading Symbol at
- | | |
|--|----------|
| The Stock Exchange, Mumbai | 526227 |
| The Stock Exchange, Ahmedabad | N.A. |
| The Delhi Stock Exchange Association Ltd. | 06028 |
| The Calcutta Stock Exchange Association Ltd. | 10016023 |
- (b) ISIN allotted to Equity Shares : INE816B01019
- 9.7 Stock Market Data :
Monthly High & Low of the equity shares of the Company for the year 2001-2002 based upon BSE Price data and Performance in comparison to BSE Sensex.

	Bombay Stock Exchange (BSE)		BSE Sensex
	(in Rs.)		
	Month's High Price	Month's Low Price	
April, 2001	4.00	4.00	3519.10
May, 2001	4.40	2.90	3631.91
June, 2001	-	-	3456.78
July, 2001	6.00	4.55	3329.28
August, 2001	-	-	3244.95
September, 2001	3.90	3.90	2811.60
October, 2001	-	-	2989.35
November, 2001	4.45	3.05	3287.58
December, 2001	3.50	1.85	3262.33
January, 2002	2.20	2.20	3311.03
February, 2002	3.60	2.00	3562.31
March, 2002	5.10	4.25	3469.35

- 9.8 Registrar and Transfer : N.A.
Agents

- 9.9 Share Transfer System : The Company has an in house share transfer department and the share transfers in physical form are registered and returned to the respective shareholders within a period of 15-30 days from the date of receipt, subject to the documents lodged for transfer being valid in all respects. As on 31.03.2002, no shares are pending for transfer for more than 15 days.

- 9.10 Distribution of shareholding as on 31st March, 2002 :

Range		Shareholders		Shares	
No. of Shares		Number	% to total holders	Numbers	% to total Capital
Upto 500		6183	90.18	905548	9.74
501 - 1000		301	4.39	255350	2.75
1001 - 2000		143	2.09	225240	2.42
2001 - 3000		71	1.04	180473	1.94
3001 - 4000		10	0.15	34899	0.38
4001 - 5000		42	0.61	204101	2.19
5001 - 10000		45	0.66	361777	3.89
10001 and above		61	0.89	7132612	76.69
Total		6856	100	9300000	100

- 9.11 Categories of Shareholding as on 31st March, 2002 :

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Individual	6799	99.17	5889388	63.33
Bodies Corporate	53	0.77	3024012	32.52
Mutual Funds/ Financial Institutions	4	0.06	386600	4.16
Total	6856	100	9300000	100

- 9.12 Dematerialisation of Shares : The shares of the Company are traded in compulsory dematerialised form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository