



15TH ANNUAL REPORT

Krishna Filaments Limited

Registered Office:

Bategaon Village, Boisar (East), Taluka Palghar, Dist. Thane - 401 501.

KRISHNA FILAMENTS LIMITED

Regd. Office: Bategaon Village, Boisar (E), Tal. Palghar, Dist. Thane - 401 501.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Hall.

Members or their Proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company. The admission will, however, be subject to verification of signature and such other checks, as may be necessary.

NAME AND ADDRESS OF THE SHAREHOLDER	FOLIO NO.
	NO(s) OF SHARES HELD

I, hereby record my presence at the 15th Annual General Meeting of the Company held on 30th September, 2003 at 4.00 p.m. at the Registered Office of the Company situated at Bategaon Village, Boisar (E), Tal. Palghar, Dist. Thane - 401 501.

SIGNATURE OF THE SHAREHOLDER OR PROXY

Only Shareholders of the Company or their Proxies will be allowed to attend the meeting

KRISHNA FILAMENTS LIMITED

Regd. Office: Bategaon Village, Boisar (E), Tal. Palghar, Dist. Thane - 401 501.

PROXY FORML. F. No.

I/We.....of.....
 being a Member/Members of KRISHNA FILAMENTS LIMITED, hereby appoint
 of.....(or failing
 him)..... of.....(or failing him)
 of..... as my /our
 Proxy to attend and vote for me/us and on my /our behalf at 15th Annual General Meeting of the Company to be held on Tuesday, 30th September, 2003 at 4.00 p.m. at the Registered Office of the Company situated at Bategaon Village, Boisar (E), Tal. Palghar, Dist. Thane - 401 501 and any adjournment thereof.

AS WITNESS my hand/our hands thisday.....2003.

Signed by the said

100 P.S.
 Revenue
 Stamp

NOTE: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting. The Proxy need not be a member of the Company.

Name and Signature(s) of the Shareholder(s)

KRISHNA FILAMENTS LIMITED

FIFTEENTH ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS

Mr. K.K. Agarwal
Mr. MSR Srinivasa
Ms. Leena Thakkar

Managing Director
Director
Director

AUDITORS

M/s. Haribhakti & Co.,
Chartered Accountants
Mumbai.

BANKERS

Syndicate Bank
State Bank of India
Karnataka Bank
ICICI Banking Corporation Limited
Central Bank of India

SOLICITORS AND ADVOCATES

Little & Co., Mumbai
Gagrat & Co., Mumbai

REGISTERED OFFICE & FACTORY

Bategaon Village,
Boisar (E), Tal. Palghar,
Dist. Thane - 401 501.
Maharashtra, India.

REGISTRAR & SHARE TRANSFER AGENTS

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.

KRISHNA FILAMENTS LIMITED

NOTICE

NOTICE is hereby given that the **Fifteenth Annual General Meeting** of the Members of **KRISHNA FILAMENTS LIMITED** will be held on Tuesday, 30th September, 2003 at Registered Office of the Company situated at Betegaon Village, Boisar (East), Taluka Palghar, Dist. Thane – 401 501 at 4.00 p.m. to transact the following business –

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2003 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint Director in place of Ms. Leena Thakkar, who retires by rotation, and being eligible offers herself for re-appointment.
- 3) To appoint Auditors and fix their remuneration.

**By Order of the Board of Directors
For KRISHNA FILAMENTS LIMITED**

 Sd/-
DIRECTOR.

Date : 28th August, 2003
Place : Betegaon

Registered Office

Betegaon Village,
Boisar (East),
Taluka Palghar,
District Thane – 401 501.

KRISHNA FILAMENTS LIMITED

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Register of Members and the Share Transfer Register of the Company shall remain close from 26th September, 2003 to 30th September 2003 (both days inclusive).
4. Members are also requested to notify changes in address, if any, immediately to the Company's REGISTRAR & SHARE TRANSFER AGENTS – Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
5. Documents referred to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any day except Friday during business hours of the Company between 11.00 A.M. and 1.00 P.M.

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KRISHNA FILAMENTS LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors present the Fifteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2003.

1. Financial Results**(Rupee in Lakhs)**

Description	Year Ended 31-03-2003	Year Ended 31-3-2002
Profit before Interest, Depreciation & Tax	20.06	(76.78)
Interest	2,713.00	2,713.01
Profit/(Loss) before Depreciation and Tax	(2692.94)	(2,789.79)
Depreciation	1346.58	1340.38
Profit/(Loss) before Tax & Provisions	(4039.50)	(4130.17)
Provision for Diminution in Value of Investment	Nil	20.00
Provision for Doubtful Debts	248.35	Nil
Provision for Tax	Nil	Nil
Profit/(Loss) after Tax	(4287.85)	(4150.17)
Add : Non-operating loss	Nil	(8.24)
Add : Prior period and extra ordinary items	Nil	(323.09)
Add : Surplus b/f from the previous year	(16,502.29)	(12,020.79)
Deficit	(4287.85)	(16,502.29)
Balance carried forward to Balance Sheet	(20790.15)	(16,502.29)

2. Dividend

In view of the losses incurred by the Company during the year under review, your directors regret their inability to declare any dividend on equity shares of the Company.

3. Operations and Outlook

During the year there was no manufacturing operation at plant of the company due to unavoidable circumstances beyond control of the company.

4. Directors

Ms. Leena Thakkar, retires by rotation at the conclusion of ensuing Annual General Meeting and being eligible, offers herself for reappointment.

5. Directors' Responsibility Statement

As required by section 217(2AA) of the companies Act, 1956, your directors state:

- ◆ that in the preparation of annual accounts, for the year ended 31st March 2003, the applicable accounting standards have been followed along with proper explanations relating to material departures except to the extent that an amount of Rs. 373.50 Lakhs which has not been capitalised as a part of fixed assets, which is not in conformity with the Accounting Standard – 10 on "Accounting for Fixed Assets";

KRISHNA FILAMENTS LIMITED

- ◆ that the directors had selected such accounting policies and applied them consistently and made judgements 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 financial year and of the loss of the company for that year;
- ◆ that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularity;
- ◆ that the directors had prepared the annual accounts for the year ended 31st March 2003, on a going concern basis.

6. Audit Committee

In pursuance of the Companies Amendment Act, 2000, the company has formed Audit Committee.

A) Terms of reference:

- ◆ Review with the management and/or Internal Audit Department and/or Statutory Auditors.
 - ❖ Company's Financial Statements and Reports,
 - ❖ Disclosure of Company's financial information to ensure the same are correct, sufficient and credible,
 - ❖ Changes/improvement in financial/accounting practices,
 - ❖ Adequacy of Internal Audit function and systems; and
 - ❖ Charter of Audit Committee
- ◆ Hold Discussions with
 - ❖ Statutory Auditors, before and after audit on the scope and area of concern;
 - ❖ Internal Audit Department on its significant findings and also failure of internal control systems, if any; and
 - ❖ Management before submission of Financial Statements to the Board
- ◆ Look into reasons for substantial defaults in payment to Debenture Holders, Financial Institutions and Bankers.
- ◆ Compliance with Accounting Standards, legal requirements and ethical codes.

KRISHNA FILAMENTS LIMITED**B) Composition, name of member and chairperson**

The audit committee of the company comprises three members, two of them are Non executive directors. The names of the members of the Audit Committee, including its chairman , are provided herein below ;

Sr. No.	Name of the Member/Chairman
1	Mr. MSR Srinivasa - Chairman
2	Mr. K. K. Agarwal - Member
3	Ms. Leena Thakkar - Member

7. Auditors

M/s. Haribhakti & Co., Chartered Accountants, Mumbai retire as auditors of the company and have given their consent for reappointment. As required under the provisions of Section 224 of the Companies Act, 1956, the Companies has obtained a written certificate from the above auditors proposed to be re-appointment, if made, would be in conformity with the limits specified in the said section.

8. Auditors' Report

The observations and qualifications made by auditors in the Auditors' Report are explained as under:

- ◆ With reference to point no. II (d) in the Auditor' Report, the company has not capitalised a sum of Rs. 373.50 Lakhs as part of fixed assets, which is not in conformity with Accounting Standard – 10 on "Accounting for Fixed Assets".

The company has not made provision on its Non-Convertible debentures for the period up to 15.03.1999, which if provided, would have been capitalised as part of fixed assets. In addition to the explanation given herein above please also refer note No. 3 of Schedule V to the Balance Sheet.

- ◆ With reference to point no. II (f) in the Auditors' Report, Financial Institutions and Bankers of the Company have recalled their credit facilities extended to the company and consequently have adopted realisation action to recover the same. This has adversely affected the functioning of the company.
- ◆ With reference to point no. II (i) in the Auditors' Report, regarding Non-provision of interest on the Non-convertible Debentures issued by the company.

The same has already been dealt in the previous para.

- ◆ With reference to point no. II (i) in the Auditors' Report, confirmation of loans and advances, Sundry Debtors and Sundry Creditors are not available.

KRISHNA FILAMENTS LIMITED

The company has sent the balance confirmation requests to all the major parties. However the same were to be received by the company as on the date of the Balance Sheet.

9. Particulars Of Employees

There were no employees drawing a salary in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

9. Conservation of Energy, Technological Absorption, Foreign Exchange Earnings and Outgo

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, the required information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed to this report.

10. Acknowledgements

The Board of Directors wishes to thank the Company's members and esteemed business associates for their valued contributions and support.

For and on behalf of the Board,

Place : Boisar

Date : 28th August, 2003.

Sd/-

K. K. AGARWAL
Managing Director

Registered Office :

Betegaon Village, Boisar (E),
Tal. Palghar,
Dist. Thane - 401 501.

KRISHNA FILAMENTS LIMITED

ANNEXURE TO DIRECTORS' REPORT

- a. **Conservation of Energy** : The above details are not required to be given by the Company in Form A as our activities do not fall under list of industries specified in the Schedule attached to Rule 2. Ours is not a major power consuming industry.
- b. **Technology absorption** : The Company has not undertaken any R & D work.
- c. **Foreign Exchange Earnings and Outgo**: Nil

For and on behalf of the Board,

Place : Boisar
Date : 28th August, 2003.

Sd/-
K. K. AGARWAL
Managing Director

Registered Office :
Betegaon Village, Boisar (E),
Tal. Palghar,
Dist. Thane - 401 501.

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