



19th ANNUAL REPORT

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KRISHNA FILAMENTS LIMITED

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For **KRISHNA FILAMENTS LTD.**

Krishna

DIRECTOR.

Registered Office
Betegaon Village, Boisar (East), Taluka Palghar Dist. Thane - 401 501



KRISHNA FILAMENTS LIMITED

NINETEENTH ANNUAL REPORT 2006-2007

BOARD OF DIRECTORS

Mr. K.K. Agarwal	Director
Ms. Juli Jani	Director
Ms. Leena Thakkar	Director

AUDITORS

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

BANKERS

Karnataka Bank
ICICI Banking Corporation Limited
Central Bank of India

SOLICITORS AND ADVOCATES

Little & 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 **Nineteenth Annual General Meeting** of the Members of **KRISHNA FILAMENTS LIMITED** will be held on Saturday, 29th September, 2007 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, 2007 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 Thakker, who retires by rotation, and being eligible offers herself for re-appointment.
- 3) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution.

“RESOLVED THAT Ms. Julie Jani, who was appointed as an Additional Director of the Company by the Board of Director of the Company and who hold office up to the date of the Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing her candidature for office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

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

DIRECTOR.

Date : 04/09/2007
Place : Betegaon

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

KRISHNA FILAMENTS LIMITED

NOTES

1. A SHAREHOLDER ENTITLED TO ATTEND THE MEETING AND VOTE THREAT MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY
2. 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.
3. 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.
4. The Register of Members and the Share Transfer Register of the Company shall remain close from 26th September, 2007 to 29th September 2007 (both days inclusive).
5. Members are also requested to notify changes in address, details of bank account number, name of the bank, bank's branch name and 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.
6. Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrar's and Transfer Agents, at the address as stated in note.4 above.
7. Members may please address all their documents/ correspondences relating to the equity shares & NCD's of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated above.
8. Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated above.
9. The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchange would be facilitated if share certificates are dematerialized. Members having the physical shares certificate are advised to consider opening of a Demat Account with an authorized Depository Participant and arrange for dematerializing their shareholdings in the Company.
 - a) All unclaimed dividend for the financial year 1997-98 (Interim Dividend) and 1997-98 (Final Dividend) of the company has been transferred to the Investors Education and Protection Fund in terms of Section 205C of the COMPANIES ACT, 1956

KRISHNA FILAMENTS LIMITED



10 Members attending the Annual General Meeting are requested to bring with them the following:

- a) Members holding shares in dematerialized form, their DP & Client ID Numbers.
- b) Members holding shares in physical form, their folio Numbers.
- c) Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
- d) The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

The company would accept only the Attendance Slip from a member actually attending the Meeting or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting. Attendance Slip of Members/ valid proxies not personally present at the Meeting, or relating to proxies which are invalid, will not be accepted from any other member/person.

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

DIRECTOR.

Date : 04/09/2007

Place : Betegaon



KRISHNA FILAMENTS LIMITED

EXPLANTARY STATEMENT**Pursuant to Section 173(2) of the Companies Act, 1956:-**

Item No. 5

Ms. Julie Jani was appointed as Additional Director of the Company by the Board of Directors at their meeting held 20th June, 2007. According to the Provision of the Section 260 of Companies Act, 1956, read with the Article of Association of the Company, Ms. Julie Jani hold office of Director up to the date of the ensuing Annual General Meeting of the Company. The Notice have been received from members as required by Section 257 of the Companies Act, 1956, signifying their intention to propose the appointment of Ms. Julie Jani as the Director of the Company liable to retire by rotation.

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

DIRECTOR.

Date : 04/09/2007

Place : Betegaon

KRISHNA FILAMENTS LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors present the Nineteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2007.

Financial Results**(Rupee in Lakhs)**

Description	Year Ended 31-03-2007	Year Ended 31-03-2006
Profit before Interest, Depreciation & Tax	(6505.45)	(6506.23)
Interest	2713.03	2713.49
Profit/(Loss) before Depreciation and Tax	(3792.42)	(3792.74)
Depreciation	519.79	522.52
Profit/(Loss) before Tax & Provisions	(3272.63)	(3270.21)
Provision for Diminution in Value of Investment	Nil	Nil
Provision for Doubtful Debts	Nil	Nil
Provision for Tax	Nil	Nil
Profit/(Loss) after Tax	(3272.63)	(3270.21)
Add : Non-operating loss	Nil	Nil
Add : Prior period and extra ordinary items	Nil	Nil
Add : Surplus b/f from the previous year	(50074.74)	(46804.52)
Deficit	(3272.63)	(3270.21)
Balance carried forward to Balance Sheet	(53347.38)	(50074.74)

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.

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.

KRISHNA FILAMENTS LIMITED

Directors

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

During the year under review Ms. Julie Jani was appointed as Additional Director of the Company by the Board of Directors at their meeting held 20th June, 2007. According to the Provision of the Section 260 of Companies Act, 1956, read with the Article of Association of the Company, Ms. Julie Jani hold office of Directors up to the date of the ensuing Annual General Meeting of the Company. The Notice have been received from members as required by Section 257 of the Companies Act, 1956, signifying their intention to propose the appointment of Ms. Julie Jani as the Director of the Company liable to retire by rotation.

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 2007, 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 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”;
- ◆ 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 2007, on a going concern basis.

Corporate governance

As per Clause 49 of the Listing Agreement with the Stock Exchange a separate report on Corporate Governance and requisite certificate from Auditor on compliance of Corporate Governance is annexed and forms part of the report.

The Board have received certification from CEO/CFO under Clause V of the revised clause 49 of the Listing Agreement.

KRISHNA FILAMENTS LIMITED

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.

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 Lacs 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.

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.

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.

KRISHNA FILAMENTS LIMITED

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.

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,

Sd/-

**Place : Betegaon
Date : 04/09/2007**

**K. K. AGARWAL
DIRECTOR**

Registered Office:

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