

21st Annual Report 2010-2011



Spinning the Sky ahead.

Filatex India Limited
(AN ISO 9001 : 2000 Company)

Board of Directors

Mr. Ram Avtar Bhageria
Chairman

Mr. Madhu Sudhan Bhageria
Vice Chairman & Managing Director

Mr. Purrshottam Bhaggeria
Joint Managing Director

Mr. Madhav Bhageria
Joint Managing Director

Mr. B.B. Tandon
Independent Director

Mr. S.C. Parija
Independent Director

Mr. S.P. Setia
Independent Director

Mr. Vibhu Bakhru
Independent Director

Company Secretary
Mr. Raman Kumar Jha

Bankers

Union Bank of India
Punjab National Bank
Oriental Bank of Commerce

Auditors

Amod Agrawal & Associates
D-58, East of Kailash
New Delhi - 110 025

Registered Office

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

Corporate Office
BHAGERIA HOUSE

43, Community Centre,
New Friends Colony,
New Delhi - 110 025

Works

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

A-2, Extension,
Phase - II (Noida)
Distt. Gautam Budh Nagar - 201 304 (U.P.)

Plot No. D-2/6, Jolva Village
PCPIR, Dahej-2 Industrial Estate
GIDC, Distt. Bharuch
Gujarat - 392 130

Registrar & Share Transfer Agents**MCS Limited**

F-65, Okhla Industrial Area,
Phase-I, New Delhi- 110020
Tel : 011-41406148
Fax : 011-41709881
Email: mcsdel@vsnl.com

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Journey across Decades

1990

- Filatex India Limited was incorporated as a Public Limited Company
- Obtained registration from Government of India for manufacturing of Polyester / Nylon Monofilaments Yarns with annual capacity of 500 MT at Noida Uttar Pradesh.

1993

- FIL floated an IPO of 18,00,000 Equity Shares of Rs.10/- each for cash at par aggregating Rs.180 Lacs.

1994

- Commence Commercial Operations at Noida Plant.

1995

- Wind Power Project set up at Tamil Nadu.
- 35,00,000 Equity Shares of Rs.10/- each at a premium of Rs.35/- per share on preferential basis issued to Financial Institutions, Mutual Funds, and High Net worth Investors.

1996

- FIL forays into its Second manufacturing plant at Dadra, Union Territory of Dadra & Nagar Haveli to manufacture of Specialty Polyester Filament Yarn and Texturised Yarn.
- Capacity of Monofilament Yarn increased from 500 MT/pa to 1500 MT/pa.

1998

- Capacity of Polyester Filament Yarn increased from 8033 MT/ p.a. to 21900 MT/p.a.

1999

- FIL crossed the Rs.100 Crores revenue milestone.
- Production of Polypropylene POY, a value added product also at its Dadra Plant.
- ISO 9002 Quality Certificate received for manufacturing facility of the company at Noida and the corporate office at New Delhi.

2000

- ISO 9002 Quality Certificate received for its manufacturing facility at Dadra.

2003

- Granted Status of Export House.

2004 - 2008

- Increases its capacity for manufacturing of Polyester and Polypropylene POY to 57650 MTs per annum and became one of the major manufacturers of POY in the country.

2009-2010

- Puts up additional capacity 10500 MTs p.a. of Fully Drawn Yarn (FDY) and Narrow Fabrics of 2555 MTs p.a., the value added products. Thus the capacity for Polyester and Polypropylene Filament Yarns increased to 68150 MTs p.a.

2011

- FIL crossed the Rs.500 Crores revenue milestone.
- Setting up a new Project for Continuous Poly condensation of 216000 MTs p.a. and POY capacity of 126000 MTs p.a. at an estimated cost of Rs. 240 crores at GIDC, Dahej, Gujarat.

Directors' Profile



Ram Avtar Bhageria

Chairman (Non Executive Director)

- Commerce graduate from the reputed Shri Ram College of Commerce, Delhi University
- Rich 50 years experience in Industry in particular Synthetic Filament Yarn
- Member of Company's Audit committee
- Involved in various social activities like ex-President of Friends Club, New Delhi and President of Resident Welfare Association, New Friends Colony



Madhu Sudhan Bhageria

Vice Chairman & Managing Director (Promoter)

- Gold medallist Commerce graduate from the reputed Shri Ram College of Commerce, Delhi University
- Rich 25 years experience in Polyester Industry
- Director in various other Companies
- President of Small & Medium Scale Polyester POY Manufacturers, New Delhi
- Treasurer of Roshnara Club Ltd.



Purrshottam Bhaggeria

Joint Managing Director (Promoter)

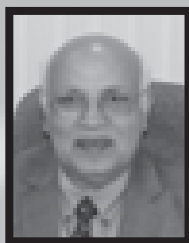
- Master Degree in Business Administration from Cornell University, USA
- Honorary Consul of Republic of Moldova in the Republic of India
- Member of Honor society of Phi Kappa Phi, USA
- Co-author & publisher of two unique and first of its kind Coffee Table Books: "Elite Clubs of India" and Elite Collector of Modern & Contemporary Indian Art"
- Member of Capital Market Committee of PHD Chamber of Commerce & Industry
- President of Rotary Club of Delhi Heritage, New Delhi.
- Ex-Member of Governing Council, Software Technology Parks of India (an autonomous Society under Govt. of India, Ministry of Information Tech.)
- Ex-member of the Governing Body of Lakshmibai College, Delhi University
- Director in various other Companies and member of Company's Shareholders Grievances Committee



Madhav Bhageria

Joint Managing Director (Promoter)

- Commerce graduate from Hindu College, Delhi University
- Looks after plant operations and marketing functions of the Company based at Surat & Mumbai.
- Promoter Director of Tapti Valley Education Foundation which is an International School in Surat.
- Director in various other Companies



S. P. Setia

(Independent Director)

- Textile Technologist year of graduation 1962.
- Rich experience in textile industry and providing consultancy to textile industry since 1982
- Chairman of Company's Shareholders Grievances Committee and Member of Audit Committee



S. C. Parija

(Independent Director)

- Masters Degree in Political Science from Allahabad University and a MSc in Fiscal Studies from University of Bath (U.K)
- Executive Member of International Fiscal Association, India
- Served as a Chairman of Income-Tax Settlement Commission and as Chief of Administration and Finance of All India Institute of Medical Sciences.
- 38 years of services with the Government of India and served as the Director of Income-tax Investigation, Chief Commissioner of Income-tax and Director General of Income-tax Investigation.
- Chairman of Company's Audit Committee and Member of Shareholders Grievances Committee
- Chairman of Audit Committee, Independent Director of Board of ARSS Infra Projects Ltd.



B. B. Tandon

(Independent Director)

- Retd. IAS Officer and former Chief Election Commissioner of India
- M.A. (PG in Economics) and LLB from the University of Delhi. CAIIB (Associate Certificate of the Indian Institute of Bankers)
- Served as Secretary to the Government of India in various key Ministries / Departments
- Member of the Securities & Exchange Board of India as Special Invitee.
- Independent Director in various other renowned Companies
- Member of Company's Audit Committee



Vibhu Bakhru

(Independent Director)

- Member of the Bar Council of India and practicing in Delhi High Court and Supreme Court of India for over 20 years.
- A qualified Chartered Accountant.
- Member of Company's Audit Committee

Filatex India Limited

(AN ISO 9001 : 2000 Company)

Corporate

Our Products &

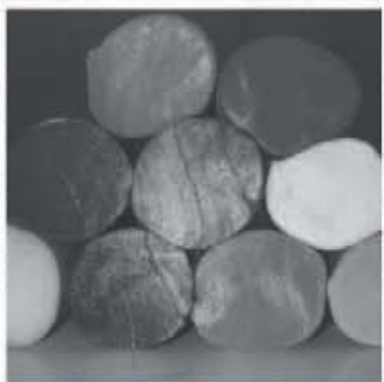




Office



Facilities



Snapshot of last 5 years



Balance Sheet Summary:

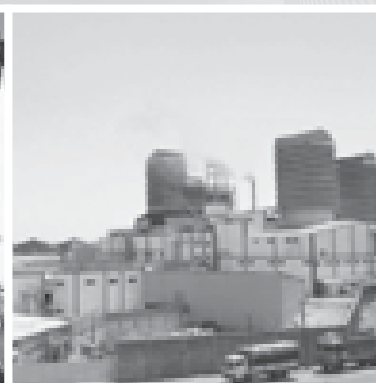
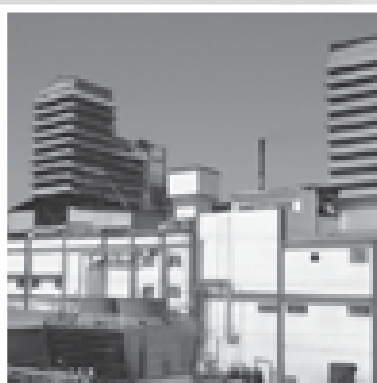
(Rs. in Crores)

Particulars	FY 10-11	FY 09-10	FY 08-09	FY 07-08	FY 06-07
Sources of Funds:					
Equity Share Capital	17.14	17.14	17.14	17.14	12.30
Preference Share Capital	-	-	-	12.50	-
Advance against Preferential Convertible Warrants	13.20	8.00	-	-	-
Reserves and Surplus	87.47	70.45	55.27	40.66	23.60
Total Shareholders' Funds	117.81	95.59	72.41	70.30	35.90
Loans Secured - Term Loans	49.48	18.99	26.06	16.28	53.58
Loans Secured - Working Capital	31.22	14.85	14.86	14.67	14.57
Loans Unsecured	1.00	0.83	3.37	12.99	6.76
Deferred Tax Liability	12.96	13.55	11.04	2.51	-
Total Loans & Deferred Liabilities	94.66	48.22	55.33	46.45	74.91
Application of Funds:					
Gross Block	197.51	177.38	164.82	154.22	151.97
Less Depreciation	92.01	82.85	74.78	68.71	60.96
Net Block	105.50	94.53	90.04	85.51	91.01
Capital Work in Progress	42.82	6.71	2.44	1.49	0.16
Total Fixed Assets	148.32	101.24	92.48	87.00	91.17
Investments	-	-	2.78	-	-
Misc Expenditure	0.02	0.04	0.06	0.08	-
Gross Current Assets	98.02	57.55	49.08	50.80	36.01
Less Current Liabilities & Provisions	33.89	15.02	16.66	21.13	16.37
Net Current Assets	64.13	42.53	32.42	29.67	19.64
Net Worth	117.79	95.55	72.35	70.22	35.90

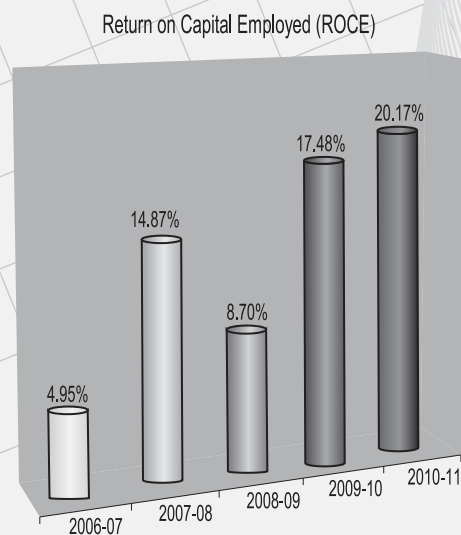
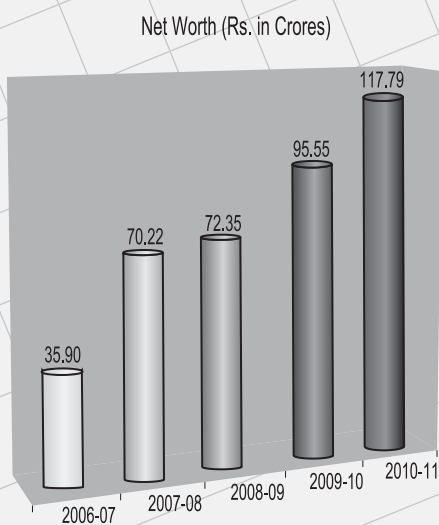
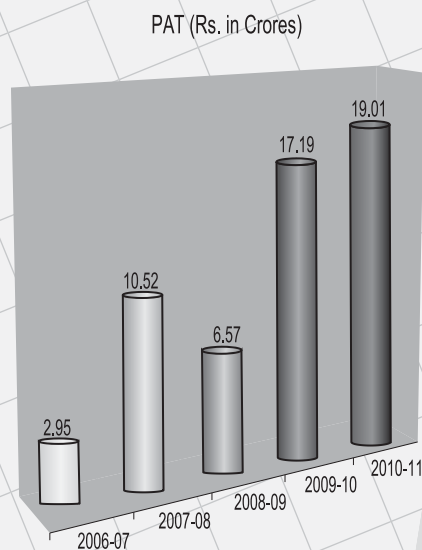
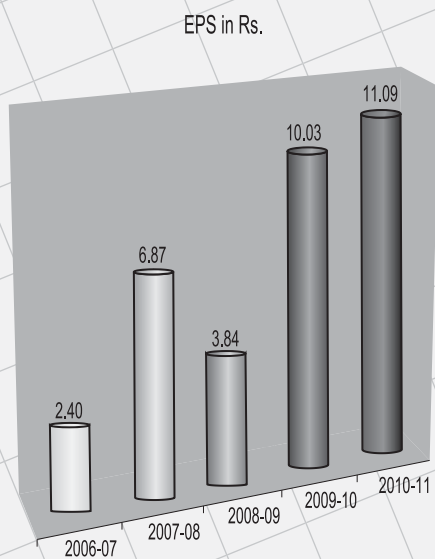
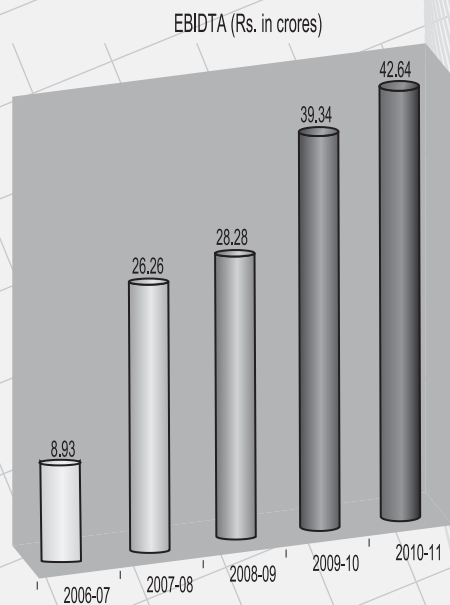
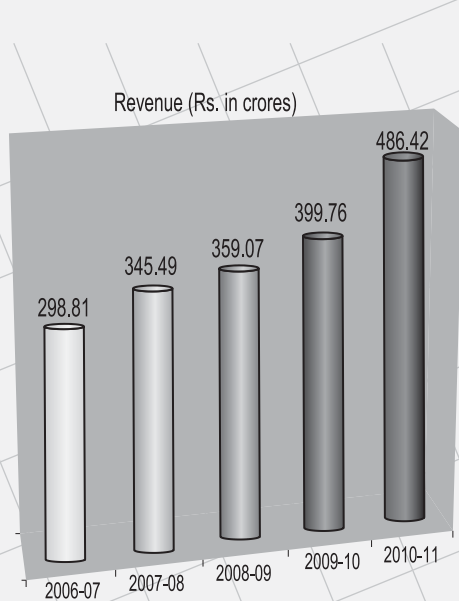
Profit & Loss Summary:

(Rs. in Crores)

Particulars	FY 10-11	FY 09-10	FY 08-09	FY 07-08	FY 06-07
Revenue from Operations	486.42	399.76	359.07	345.49	298.81
Other Operating & Misc. Income	0.91	0.58	0.52	0.13	0.07
Total Income	487.33	400.34	359.59	345.62	298.88
Operating & Administrative Expenses	433.17	351.13	322.86	311.54	282.17
Employee Costs	11.52	9.87	8.45	7.82	7.78
Total Expenses	444.69	361.00	331.31	319.36	289.95
EBIDTA	42.64	39.34	28.28	26.26	8.93
Interest & Finance Charges	5.42	4.65	6.40	5.75	5.25
PBDT	37.22	34.69	21.88	20.51	3.68
Depreciation	9.20	8.51	7.90	7.57	7.45
Profit Before Taxation	28.02	26.18	13.98	12.94	(3.77)
Exceptional Items	-	-	1.22	0.03	6.94
Profit Before Tax after Exceptional Items	28.02	26.18	15.20	12.97	3.17
Taxes	9.01	8.99	8.63	2.45	0.22
Profit after Tax	19.01	17.19	6.57	10.52	2.95
Earning Per Share (EPS in Rs.)	11.09	10.03	3.84	6.87	2.40

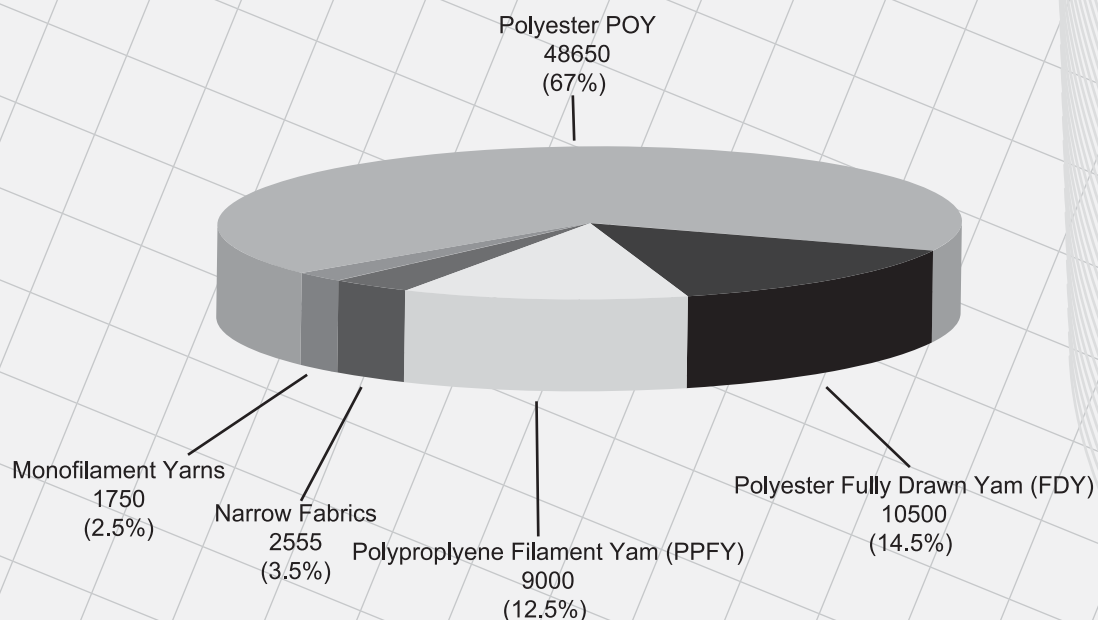


Financial Performance

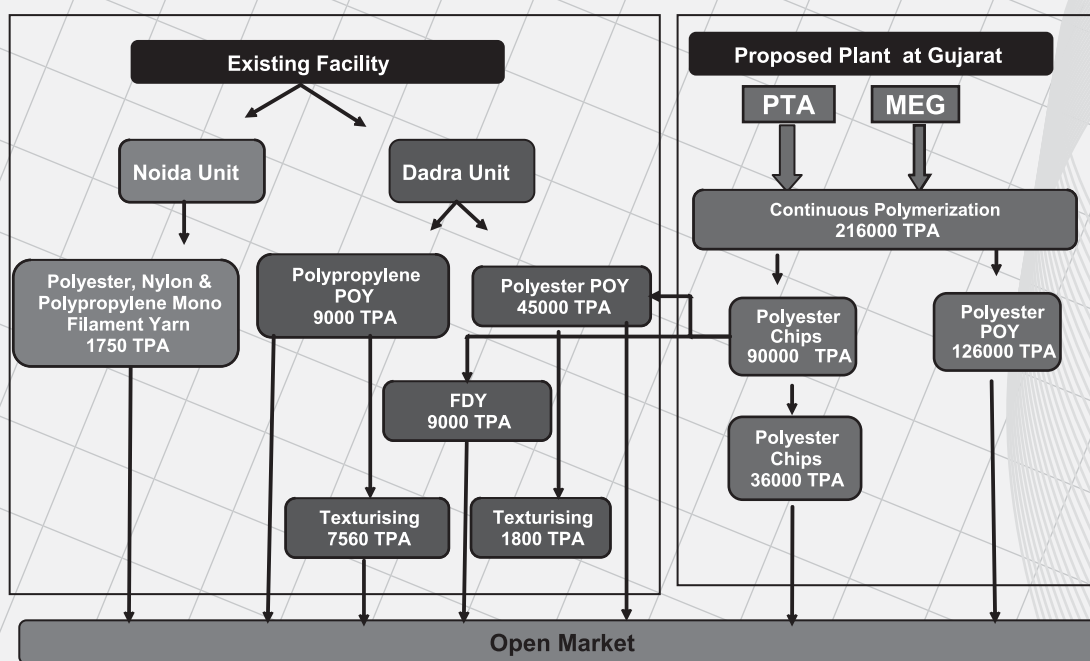




Products Existing capacities (As on 31.03.2011) in MTs



Existing & Proposed Business Model





DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty First Annual Report alongwith the Audited Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	2010-2011	2009-2010
Gross Sales/Income from Operations	53710	42923
Gross Profit before Financial Charges, Depreciation & Taxation	4264	3934
Financial charges	542	467
Depreciation	920	851
Profit before tax	2802	2616
Provision for Taxation		
– Current	960	646
– Deferred	(59)	251
– Taxation for earlier years	-	9
– MAT Credit Entitlement	-	(9)
Net Profit	1901	1719
Balance brought forward from previous year	1952	434
Profit available for appropriation	3853	2153
Proposed Dividend on Equity Shares	171	171
Dividend Distribution Tax	29	29
Balance carried forward to Balance Sheet	3653	1953

DIVIDEND

The Board has recommended dividend (proposed) of Rs. 1.00 (One) per equity share of Rs. 10 each which will be paid after approval at the ensuing Annual General Meeting for the year 2010-11. The dividend will absorb an amount of Rs.171.41 lacs.

OPERATIONS

The production of Polyester, Polypropylene and Fully Drawn Filament Yarn during the year has increased from 59913 MT in 2009-10 to 66291 MT in 2010-11 registering an increase of 10.65%. Production of Polyester, Nylon & Poly Propylene Monofilament yarn has increased from 1436 MT in 2009-10 to 1642 MT in 2010-11 registering an increase 14.35% and Narrow Fabrics from 660 MT in 2009-10 to 1637 MT in 2010-11 registering an increase of 148%.

During the year the Company achieved turnover of Rs. 53710 lacs as compared to Rs. 42923 lacs for the previous financial year registering an increase of 25%. The Net Profit after tax is Rs. 1901 lacs as compared to Rs. 1719 lacs in the previous year registering an increase of 11%.

EXPANSION

Your Company is in the process of setting up of a polyester poly condensation plant with a capacity of 216000 TPA alongwith expansion of polyester POY capacity by 108000 TPA in the state of Gujarat. The Plant is expected to commence production in the last quarter of the financial year 2011-12. The Company at present is manufacturing POY by using polyester chips as raw material, whereas all other major manufacturers are making POY under Direct Melt Spinning Technology being used worldwide, using PTA and MEG as raw materials. The Poly condensation unit will bring your Company at par with other manufacturers of POY. This will enable the Company to reduce operational costs and increase its profitability.

FIXED DEPOSITS

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

DIRECTORS

Mr. S.C.Parija and Mr. B.B. Tandon, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

**DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors state as under:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures there from;
- ii. that they have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit of the Company for that period;
- iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

A separate Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement along with the Auditors' Certificate regarding compliance of conditions of Corporate Governance and Management Discussion & Analysis are annexed hereto as part of the Annual Report.

AUDITORS

M/s Amod Agrawal & Associates, Chartered Accountants, Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. Certificate from the auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board of Directors therefore recommend their re-appointment as statutory auditors of the Company for 2011-12 for the approval of shareholders.

AUDITORS' REPORT

The Auditors' Report on the Accounts of the Company for the year under review is self-explanatory and requires no comments.

STOCK EXCHANGE LISTING

The Equity Shares of the Company are listed on Bombay & Calcutta Stock Exchanges. The Annual Listing Fee for the year 2011-2012 has been paid to the Stock Exchanges.

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

During the year, no employees of the Company received a salary of more than Rs. 60.00 lacs per annum or Rs. 5.00 lacs per month. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record their sincere appreciation for the assistance, support and cooperation received from its Bankers, Government Authorities, Dealers, Customers and Vendors. Your Directors would like to record their sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution ensuring sustained operations that your Company has achieved during the year. Your Directors also place on record their sincere appreciation for the confidence reposed by the Shareholders in the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 30th April, 2011

RAM AVTAR BHAGERIA
Chairman



REPORT ON CORPORATE GOVERNANCE

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

Your Company is fully committed to conduct its business with due compliance of all applicable laws, rules and regulations. The Company's philosophy on Corporate Governance lays strong emphasis on integrity, transparency, accountability and full disclosure in all facets of its operations to achieve the highest standards of Corporate Governance and to enhance the trust of the creditors, employees, suppliers, customers and public at large. The Company continues to believe that all its operations and actions must serve the underlying goal of enhancing shareholder value, over a sustained period of time.

During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business.

2. Board of Directors

The Board of Directors is headed by non-executive Chairman and consists of total 8 members comprising of 5 non-executive Directors out of which 4 are Independent Directors representing an optimum mix of professionalism, knowledge and experience in their respective fields.

i) Present Structure of Board of Directors

S.No.	Name	Category of Director
1.	Shri Ram Avtar Bhageria Chairman	Non-Executive Director
2.	Shri Madhu Sudhan Bhageria Vice Chairman & Managing Director	Executive Director
3.	Shri Purrshottam Bhaggeria Joint Managing Director	Executive Director
4.	Shri Madhav Bhageria Joint Managing Director	Executive Director
5.	Shri B. B. Tandon Director	Non-Executive & Independent Director
6.	Shri Vibhu Bakhru Director	Non-Executive & Independent Director
7.	Shri S.C. Parija Director	Non-Executive & Independent Director
8.	Shri S.P. Setia Director	Non-Executive & Independent Director

Details of Directors retiring by rotation at the ensuing Annual General Meeting are given at the end of this Report.

ii) Board Meetings

During the year 2010-11, the Board met four times on 5th May, 2010, 3rd August, 2010, 12th November, 2010 and 1st February, 2011.



Details of attendance of each Director at various meetings of the company and the membership held by the Directors in the Board/ Committees of other corporate bodies are as follows: -

S. No.	Name	No. of Board Meetings attended	No. of Other Directorships*	Committee Memberships*	Committee Chairmanships*	Attendance in AGM
1.	Shri Ram Avtar Bhageria	4	-	-	-	NO
2.	Shri Madhu Sudhan Bhageria	4	5	-	-	YES
3.	Shri Purrshottam Bhaggeria	4	4	-	-	NO
4.	Shri Madhav Bhageria	-	4	-	-	YES
5.	Shri B. B. Tandon	4	15	8	1	NO
6.	Shri Vibhu Bakhru	4	2	-	-	NO
7.	Shri S.P. Setia	3	1	-	2	NO
8.	Shri S.C. Parija	4	1	-	1	NO

* Represents Directorship & Membership/Chairmanship of Audit Committee & Shareholders Grievance Committee of Indian Public Companies as on 31.03.2011.

iii) Board Procedure:

The members of the Board are provided with the requisite information mentioned in the Listing Agreement before the Board Meetings. The Vice Chairman & Managing Director alongwith two Joint Managing Directors manage the day-to-day affairs of the Company subject to the supervision and control of the Board of Directors. The Independent Directors take active part in the Board and Committee meetings which adds value in the decision making process of the Board of Directors.

All the Directors who are on various committees are within the permissible limits of the Listing Agreement. The necessary disclosures regarding committee positions have been made by the Directors.

3. Audit Committee

In terms of Section 292A of the Companies Act, 1956 and the requirement of the Listing Agreement with the Stock Exchanges, the Board has an Audit Committee comprising of five Directors namely, Shri S.P. Setia, Shri S.C. Parija, Shri B.B. Tandon, Shri Vibhu Bakhru, all Independent Directors and Shri Ram Avtar Bhageria, Non Executive Director. Shri S.C. Parija is Chairman of the Committee. The terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and guidelines given in the Code of Corporate Governance, which inter-alia include the overview of the Company's Financial Reporting Process, review of Quarterly, Half Yearly and Annual Financial Statements, Adequacy of Internal Control Systems, Major Accounting Policies & Practices, Compliances with Accounting Standards, Related Party Transactions, etc. The Company Secretary of the Company acts as the Secretary of the Committee.

The Internal Audit Reports are prepared by an external firm of Chartered Accountants & cover various operations of the Company. The Audit Committee reviews internal audit report regularly. This ensures a constant review of operations and systems and highlights the areas which need improvement. The reports form the basis of management functions, decisions and follow up.

During the year 2010-11 the Committee met 4 times. The attendance at the meetings is as under: -

Date of Meeting	No. of Members present
05-05-2010	5
03-08-2010	5
12-11-2010	5
01-02-2011	4

Shri Madhu Sudhan Bhageria, Vice Chairman & Managing Director, Shri Purrshottam Bhaggeria, Joint Managing Director, Shri R P Gupta, Chief Financial Officer, Internal Auditors and Statutory Auditors were invited to attend the Audit Committee Meetings.

The minutes of the meetings of the Audit Committee were circulated to all the members of the Board.


4. Details of Remuneration paid to the Directors during the Financial Year ended 31st March, 2011
(Amt in Rs.)

S. No.	Name of Directors	Salary, Allowances & Commission	Contribution to Provident Fund	Perquisites	Sitting Fees	Total
1.	Shri Ram Avtar Bhageria, Chairman	—	—	—	20000	20000
2.	Shri Madhu Sudhan Bhageria, Vice Chairman & Managing Director	5117646	9360	201006	—	5328012
3.	Shri Purrshottam Bhaggeria, Joint Managing Director	4667646	9360	675222	—	5352228
4.	Shri Madhav Bhageria, Joint Managing Director	4667646	9360	291932	—	4968938
5.	Shri Vibhu Bakhru	—	—	—	20000	20000
6.	Shri S.P. Setia	—	—	—	15000	15000
7.	Shri S.C. Parija	—	—	—	20000	20000
8.	Shri B B Tandon	—	—	—	20000	20000

The employment of Managing/Joint Managing Directors is on contractual basis. Except Shri Ram Avtar Bhageria Non-Executive Director who holds 4,62,000 Equity Shares, none of the Non-Executive Directors held any Equity Shares of the Company as on 31st March, 2011. The Managing/Joint Managing Directors are paid remuneration as approved by the Board of Directors and Shareholders and such other authorities as the case may be and are not paid sitting fees for Board/Committee Meetings attended by them. Non-Executive Directors do not have any pecuniary relationship with the Company except payment of sitting fees for attending the Board/Committee Meetings. The Company does not have any stock option scheme or performance linked incentive for the Executive Directors. The appointments of the Executive Directors are made for a period of five years on the terms and conditions contained in the respective resolutions passed by the members in the Annual General Meetings and no notice period or severance fee is applicable to them.

5. Shareholders'/Investors' Grievances Committee

For effective and efficient shareholders services, the Company has a Shareholders'/Investors' Grievances Committee. The Committee comprises of Shri S.P. Setia & Shri S.C. Parija, Independent Directors and Shri Purrshottam Bhaggeria, Joint Managing Director of the Company. Shri. S.P. Setia is the Chairman of the Committee. Amongst the other functions, the Committee looks into redressal of Shareholders complaints like non-transfer of Shares, non-receipt of Balance Sheet, non-receipt of Dividend etc. as required pursuant to Clause 49 of the Listing Agreement. The Company attends to Investor Grievances/correspondences expeditiously and all efforts are made to reply immediately. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investors' services.

During the year ended 31st March, 2011, 11 shareholders complaints were received and resolved to the satisfaction of the shareholders and there were no complaints pending as at the year end. There were no share transfers pending for registration as on 31st March, 2011.

The Company has also adopted a Code of Conduct for Prevention of Insider Trading in the Shares of the Company, pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Name and designation of Compliance Officer

Mr. Raman Kumar Jha, Company Secretary

6. General Body Meetings

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

Year	Location	Date	Time	Whether Special Resolution passed
2007-2008	Survey No.274 Demni Road, Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	30 th September, 2008	09.30 A.M.	No
2008-2009	Same as above	25 th September, 2009	09.30 A.M.	No
2009-2010	Same as above	25 th September, 2010	09.30 A.M.	No



No Special Resolution was passed by Postal Ballot in any of the aforesaid Annual General Meetings. As on date there is no proposal to pass any resolution by postal Ballot.

7. Disclosures

- (i) None of the transactions with any of the related party were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties set out in Notes to the Accounts - Point 13 forming part of the Annual Report.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- (iii) In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are adopted have been set out in the Notes to Accounts forming part of the Annual Report.
- (iv) The Company has not adopted a Whistle Blower Policy. However, no personnel were denied access to the Audit Committee.
- (v) The Company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures.
- (vi) The Company has complied with all mandatory requirements set out in Clause 49 of the Listing Agreement.

8. Means of Communication

The Company publishes its quarterly/half yearly/annual results, amongst others, in The Free Press Journal and Sandesh (Gujarati) circulating in Dadra & Nagar Haveli where the Registered Office of the Company is situated. The same together with shareholding pattern and any other significant development is submitted to the Stock Exchanges and displayed on the Company's website: www.filatex.com. The Company is not making any official releases and not sending half-yearly report to the shareholders, as it is not a mandatory requirement.

The Company has not made any presentation to Institutional Investors or Analysts.

Management Discussion and Analysis Report forms part of the Annual Report, which is posted to the shareholders of the Company.

9. Code of Conduct for Directors & Senior Management Personnel

The Board has adopted a Code of Conduct for observance of the Directors and Senior Management Personnel to ensure ethical conduct in performance of their duties.

The Code has been circulated to all the Directors and Senior Management Personnel and they have affirmed compliance of the same. A declaration in this regard signed by Vice Chairman & Managing Director of the Company is given at the end of this Report.

10. Shareholder's Referencer

10.1 Annual General Meeting:

- Date and Time 4th July, 2011 at 9.30 A.M.
- Venue Survey No. 274, Demni Road, Dadra - 396191 (U.T. of Dadra & Nagar Haveli)

- 10.2 Financial Calendar (tentative)
 - Results for the quarter ending 30-06-2011 before 14th August, 2011
 - Results for the quarter/half year ending 30-09-2011 before 14th November, 2011
 - Results for the quarter ending 31-12-2011 before 14th February, 2012
 - Results for the quarter/year ending 31-03-2012 before 15th May, 2012 / 31st May, 2012

- 10.3 Book Closure Date : 27th June, 2011 to 4th July, 2011 (both days inclusive) for the purpose of payment of dividend

- 10.4 Dividend Payment Date : The Board has recommended dividend of Rs. 1.00 (one) per equity share of Rs. 10 each which will be paid after approval at the ensuing Annual General Meeting.



10.5. Listing of Equity Shares : Bombay and Calcutta. Annual Listing fee for the year on Stock Exchanges at 2011-12 has been paid to the above Stock Exchanges.

10.6 Stock Code :

(a) Trading Symbol at The Bombay Stock Exchange Limited 526227
The Calcutta Stock Exchange Association Limited 10016023

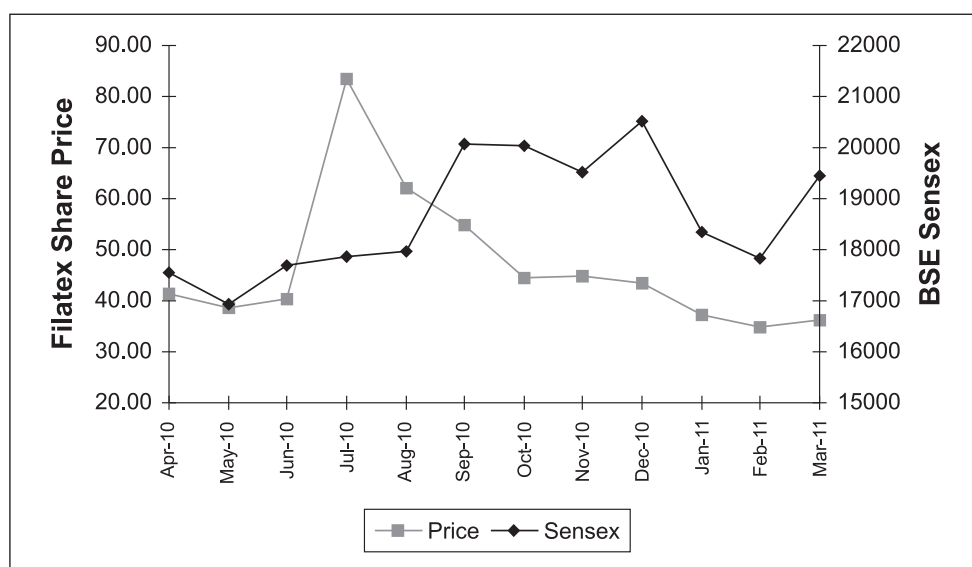
(b) ISIN allotted to : INE816B01019
Equity Shares

10.7 Stock Market Data:

Monthly High & Low of the Equity Shares of the Company for the year 2010-2011 based upon BSE Price data in comparison to BSE Sensex is given below:

Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2010	48.25	18048	36.30	17277
May, 2010	45.65	17537	34.60	15960
June, 2010	46.00	17920	35.95	16318
July, 2010	92.05	18238	39.40	17396
August, 2010	85.00	18475	57.05	17820
September, 2010	66.00	20268	50.00	18027
October, 2010	59.00	20855	44.15	19769
November, 2010	56.75	21109	40.00	18955
December, 2010	49.70	20552	41.00	19075
January, 2011	46.00	20665	35.45	18038
February, 2011	39.05	18691	28.25	17296
March, 2011	44.50	19575	35.45	17792

Stock Price Movement



10.8 Registrar and Transfer Agents : All the works relating to the share registry for the shares held in the physical form as well as the shares held in the electronic form (Demat) are being done by MCS Limited at the following address:

MCS Limited
F-65, Okhla Industrial Area
Phase-I, New Delhi- 110020
Tel: 011-41406148
Fax: 011-41709881
Email: mcsdel@vsnl.com



Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.

10.9 Share Transfer System:

The Share Transfers in physical form are registered and returned to the respective shareholders within a period of 15 days from the date of receipt, subject to the documents lodged for transfer being valid in all respects. The Shareholders/ Investors' Grievances Committee meets twice in a month to approve share transfers/ transmissions.

10.10 Distribution of Shareholding according to categories of Shareholders as on 31st March, 2011:

S.No.	Category	No. of Shares	% to total
1.	Promoters Holding		
	Promoter Group	86,18,495	50.28
2.	Institutional Investors		
	Mutual Funds	63,400	0.37
	Banks and Financial Institutions	4,29,076	2.50
	Foreign Institutional Investors	17,02,000	9.93
3.	Others		
	Private Corporate Bodies	32,60,794	19.02
	Indian Public	30,49,347	17.79
	Trust	10,000	0.06
	NRIs/ OBCs	8,285	0.05
	TOTAL	1,71,41,397	100.00

Distribution of Shareholding as on 31st March, 2011

Range No. of Shares	Shareholders		Shares	
	Number	% to total holders	Number	% to total Capital
Upto 500	4293	82.96	664939	3.88
501 1000	371	7.17	319529	1.86
1001 2000	198	3.83	328446	1.92
2001 3000	94	1.82	246239	1.44
3001 4000	37	0.71	132996	0.78
4001 5000	38	0.73	186258	1.08
5001 10000	60	1.16	450414	2.63
10001 and above	84	1.62	14812576	86.41
Total	5175	100	17141397	100

10.11 Dematerialization of Shares:

The shares of the Company are traded in compulsory dematerialized 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 Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Dematerialization record

As on 31st March, 2011, 1,67,18,777 Equity Shares were in dematerialized form which represents 97.53% of the paid up capital.

10.12 Outstanding GDR/ADRs/ Warrants or any Convertible Instruments, conversion dates and likely impact on Equity

The Company has issued 40,00,000 convertible Warrants to the Promoters / Promoter Group on preferential basis. These warrants shall be converted within 18 months from date of its allotment i.e. 04.03.2010 at the option of warrant holder in one or more tranches at an exercise price of Rs. 40 per share (including premium of Rs. 30 per shares).


10.13 Plant Location

1. Survey No.274, Demni Road, Dadra-396 191
(U.T. of Dadra & Nagar Haveli)
2. A-2, Extension Phase-II (Noida),
Dist. Gautam Budh Nagar- 201 304 (U.P.)

10.14 Address for Investor Correspondence

MCS Limited
F-65, Okhla Industrial Area, Phase-I,
New Delhi- 110020
Tel : 011-41406148
Fax : 011-41709881 Email: mcsdel@vsnl.com

Members can also contact at:
The Company Secretary
Filatex India Limited
43, Community Centre,
New Friends Colony, New Delhi - 110 025
Email: shares@filatex.com, Fax : +91-11-26849915
Shareholders are requested to quote their Folio Nos./DP Id/Client Id, No. of Shares held and address for prompt reply.

11. Directors retiring by rotation

Name of Directors	Shri S. C Parija	Shri B.B. Tandon
Age (Years)	70	69
Qualifications	M.Sc (Fiscal Studies), Bath University, UK	IAS Officer (Retd.) and CAIIB (Associate Certificate of the Indian Institute of Bankers)
Date of Appointment	30-07-2003	12.04.2008
Expertise in specific functional areas/ other related activities.	Taxation & Former Chairman Income Tax Settlement Commission	Worked in various senior position with the Central and State Government and retired as Chief Election Commissioner
List of other Directorship (Indian Public Companies)	ARSS Infra Projects Ltd.	Ambience Limited Adani Power Limited ACB (India) Limited Bhushan Steel Limited Birla Corporation Limited Dhampur Sugar Mills Limited Exicom Tele-Systems Limited Jaiprakash Power Ventures Limited Jaypee Infratech Limited Lanco Anapara Power Limited Oriental Carbon & Chemicals Ltd. Precision Pipes & Profiles Limited Vikas Global One Limited VLS Finance Limited Ambuja Cement Foundation
Chairman/Member of the committees of the Board of the Companies on which he/she is a Director.	Chairman– Audit Committee: Filatex India Limited ARSS Infrastructure Projects Ltd. Member - Shareholders Grievances Committee: Filatex India Limited	Member - Audit Committee Filatex India Limited Precision Pipes & Profiles Limited Jaiprakash Ventures Limited Adani Power Limited Birla Corporation Limited Oriental Carbon & Chemicals Ltd. VLS Finance Limited Chairman - Audit Committee: Bhushan Steel Limited Member – Shareholders Grievance Committee: Ambience Limited VLS Finance Limited

**12. CEO/CFO Certification**

In terms of Clause 49 of the Listing Agreement, Managing Director and Chief Financial Officer of the Company have submitted a certificate certifying various covenants about financial/cash flow statements, internal controls, financial reporting etc. in respect of Accounts for the year ending 31st March, 2011 to the Board of Directors.

13. Non Mandatory Items

The Company has not adopted any non mandatory requirements except the Remuneration Committee as mentioned in Annexure 3 of Clause 49 of the Listing Agreement. During the year under review no meeting of the Remuneration Committee was held.

DECLARATION:

I, Madhu Sudhan Bhageria, Vice Chairman & Managing Director of the Company do hereby declare that all the Directors of the Company and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2011.

Place: New Delhi
Date : April 28, 2011

Madhu Sudhan Bhageria
Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement
TO THE MEMBERS OF FILATEX INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Filatex India Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement except that the Chairman of Audit Committee was not present at the Annual General Meeting.

We state that in respect of investor grievances received during the year ended 31st March, 2011, the Company Secretary has certified that as at 31st March, 2011, there were no investor grievances remaining unattended/ pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **AMOD AGRAWAL & ASSOCIATES**
Chartered Accountants

Place : New Delhi
Dated : April 29, 2011

AMOD AGRAWAL
Partner
Membership No. 84175



MANAGEMENT'S DISCUSSION AND ANALYSIS

DISCLAIMER STATEMENT

Certain statements in this report on Management Discussion and Analysis may be forward looking statements and have been issued in terms of the applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed in the statements or implied due to the influence of external and internal factors, which are beyond the control of the Company. The Company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

INDUSTRY STRUCTURE & DEVELOPMENT

The textile market in India is shifting its preference from cotton to Man-Made Fibre (MMF) fabrics. The MMF industry comprises fibre, filaments and yarns required for manufacturing apparel and non-apparel products. Although the preference for cotton yarn is high, a sizable segment of the Indian population prefers apparels made of polyester yarn and other synthetic materials as they are cheaper. The price competitiveness of polyester yarn vis-à-vis cotton yarn will support growth in demand for polyester yarn. As far as domestic scenario is concerned, signs are very encouraging. As per CRISIL Research Report, demand for man-made fibre is expected to grow at CAGR of 7-8% between FY10 and FY13. Within the polyester group, PFY will continue to dominate with its share expected to increase from 31% in FY10 to 33% in FY13, higher than the growth expected in the overall man made fibre segment.

India's per capita consumption of the polyester is only around 3.5 kg compared to a global average 7.2 kg. Growth in consumption of polyester has historically co-relation with GDP growth. As Indian economy continues to grow, demand for polyester product will increase, driven by rising personal income and increased non-apparel applications.

The Indian textile industry is the single largest employer after agriculture providing direct employment to more than 35 million people from almost all strata of society. It contributes 12% to export earnings, 11% to industrial production and 4% to the GDP.

The demand for polyester yarn in India is faster than all other major yarn categories. Export of PFY based textile products have also shown good growth unlike export of other textile products.

INDUSTRY OUTLOOK

2009 witnessed the Indian textile industry recovering from the slowdown with strong domestic consumption and renewed export demand. Earlier, the textile industry, which was a major contributor to export earnings, had encouraged global economic slowdown shocks. Exports registered month-on-month negative growth for most part of 2009. Strong domestic consumption and higher export demand have brought new optimism in the industry. From time to time the Government has also intervened to help the industry by bringing several stimulus packages.

The Foreign Trade Policy 2009-14 also featured some relief majors including addition of 26 new markets in the Focus Market Scheme (FMS) in Latin America and Asia-Oceania for promotion of exports. Textile exports started recovering from the end of 2009 onwards. As per CRISIL, the recovery was relatively fast in man-made fibre based textiles as its exports dependency is around 30% compared to 42% in the case of the cotton textile industry benefited the maximum in this surge in exports.

FY 2010-11 witnessed robust growth in Polyester Filament Yarn segment. The continued increase in the price of cotton gave favourable boost to the increased demand of PFY. Polyester has been steadily replacing natural fibre.

In the years ahead relatively easier availability of raw materials, growing local and international demand and improved cost competitiveness of Indian manufacturers vis-à-vis their global competitors should permit strong growth in the PFY industry.

OPPORTUNITIES & CHALLENGES

Opportunities

- (i) Demand for manmade filament yarn to grow
- (ii) Price competitiveness of PFY vis-à-vis cotton yarns



- (iii) Per capita consumption of Polyester in India is exceedingly low by world standards so there is a great scope for local demand
- (iv) Rural market will play important role in the economy which offers a major opportunity growth in the Polyester industry
- (v) Substantial gap in Demand & Supply
- (vi) Demand of Polyester in non-apparel applications such as home furnishing and technical textiles is picking up

Challenges

- (i) Post WTO, India is exposed to international competition
- (ii) Volatile raw material prices
- (iii) Cheaper imports from other developing countries

COMPANY OUTLOOK

At present, the Company procures polyester chips externally to manufacture POY,FDY and Polyester Filament Yarn. In order to improve its profitability, the Company has upgraded some of its POY spinning lines for manufacture of Fully Drawn Yarn (FDY) resulting in higher value additions. With a view to have a level playing field as compared to its competitors and to reduce operational costs on recurring basis, the Company is in the process of setting up of its own Poly Condensation Plant of 216000 MT/per annum alongwith addition of 108000 MT per annum capacity of POY. This will lead to increase in margins.

The Company has taken steps toward forward integration by adding a new value added product in its existing products range i.e. Narrow Fabrics by putting up looms. During the year under review, the Company has increased the installed capacity of Narrow Fabrics to 2555 MT per annum from 1890 MT per annum.

RISKS AND CONCERNS

The Company perceives the following main business risks:

- a) Capacity enhancement by other domestic players
- b) Volatility in crude oil prices
- c) Decline in cotton yarn prices would put pressure on demand for PFY
- d) Possible product substitution in the fibre market based on change in the prices of competitive fibres
- e) International competition in post WTO scenario

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has comprehensive systems of internal controls to safeguard the Company's assets against the loss from unauthorized uses and ensure proper authorization of financial transactions. The system is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with applicable laws and regulations. The Company has an elaborate budgetary control system and actual performance, which is constantly monitored by the management. It has well defined organization structure, authority levels and internal guidelines and rules. The internal control system ensures that the financial and other records are reliable for preparing financial statements and other data and for maintaining proper records of assets.

The Company, with a view to encourage independent view, has outsourced the functions of internal auditors to qualified professionals, to conduct operations and systems audit in accordance with audit plans adopted by the Audit committee. Internal Auditors as part of their assignment evaluate and assess the adequacy and effectiveness of internal control measures and compliance with policies, plans and statutory requirements. The Internal Audit Reports are reviewed at the Audit Committee Meetings and appropriate actions on the recommendation are initiated by the Management.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review your Company achieved turnover of Rs. 53710 lacs as against Rs. 42923 lacs in the previous financial year registering an increase of 25%. The net profit for the year under review rose by 11% to Rs. 1901 lacs after providing for depreciation of Rs. 960 lacs and tax of Rs. 901 lacs as against a net profit of Rs.1719 lacs after providing for depreciation of Rs. 851 lacs and tax of Rs. 897 lacs during the previous year.



The production of Polyester, Polypropylene and Fully Drawn Filament Yarn during the year has increased from 59913 MT in 2009-10 to 66291 in 2010-11 registering an increase of 10.65%. Production of Polyester, Nylon & Poly Propylene Monofilament yarn has increased from 1436 MT in 2009-10 to 1642 MT in 2010-11 registering an increase of 14.35% and Narrow Fabrics from 660 MT in 2009-10 to 1637 in 2010-11 registering an increase of 148%.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Human Resources are vital to the success of any Organization. The Company believes that the quality of its employees is the key to success in the long run and is committed to provide necessary human resource development and training opportunity to equip them with skill, on the job training and technical training and opportunity for open interactions, communications and feedback. Relations with employees remained cordial during the year under review. Consistent and fair policies ensure that industrial relations continue to be peaceful and results in improvement in productivity and effectiveness. Your Company aims at creating development oriented approach for its employees by building systems, processes and focusing on recruitment of top quality manpower. Focus on performance appraisal and incentive schemes results in enhancing productivity on a substantial basis. It provides an opportunity to all the employees to utilize their full potential and grow in the organization and believes in empowering its people and providing a stimulating professional environment. The number of the persons employed in the Company at the closed of the financial year was 842.

ANNEXURE TO DIRECTORS' REPORT

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY:

1. Energy Conservation measures taken:

The company, in line with its commitment towards conservation of energy, has taken the following steps through improved operational & maintenance practices:

- Hot and cold insulation changed to avoid losses & improve efficiency
- Chip dryer modified to save energy & increase production
- 40 watt tube lights replaced with 28 watt fittings
- Sodium vapour lamp 150 watt replaced with 60 watt CFL lamps/T5
- Optimization & improvement of air cooling system
- Health check up & improvement in air compressors to increase efficiency
- Major modification in plant piping system to make different pr air circuits according to end use
- Pressure Transmitter & inverter fixed in air compressor

2. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

- Putting up Invertors in more Air Compressors & water pumps
- Higher capacity Low pressure air compressor (Centrifugal) to be replaced with low capacity (reciprocating) compressor
- Modification of process system on regular basis
- Planning for natural Gas base engine with heat recovery system

3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- Reduction in wastage and energy / power consumption per unit of yarn
- Improvement in quality and productivity
- Lowering of equipment engagement load will result in longer life of equipments


4. Total energy consumption and energy consumption per unit of production:

The details are provided in Form 'A' given below.

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption – As per Form 'B' given below.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:
a) Activities relating to exports, initiative taken to increase export, development of new exports markets for product services & exports plans:

The Company is continuously exploring the possibilities for exports to newer markets. Consistent efforts are being made to sustain new avenues for exports. During the year the Company achieved export sale of Rs.792.40 lacs as compared to 305.24 lacs in the previous year.

b) Foreign Exchange earned	: Rs.792.40 Lacs
Foreign Exchange used	: Rs.10816.93 Lacs

D. INFORMATION ON POLLUTION CONTROL MEASURES:

The Company is maintaining & monitoring environment and pollution control parameters at its plants on a continuous basis. The Company does not generate any effluents, however, environment & pollution parameters are regularly analyzed and actual values are within the permissible norms.

FORM 'A'
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

	2010-2011	2009-2010
A) Power and Fuel Consumption:		
1. Electricity		
a) Purchased Units KWH	59313725	54846515
Total amount Rs.	192874735	212354518
Rate per unit Rs.	3.25	3.87
b) Own generation through DG Sets		
Units KWH	690937	2149548
Units per Liter of Diesel oil	3.11	3.54
Cost per unit Rs.	10.29	8.05
2. Coal	NIL	NIL
3. Furnace Oil		
Quantity (K. ltr)	725.680	774.171
Total amount (Rs. in lacs)	181.00	170.44
Average Rate/Litre (in Rs.)	24.94	22.024
4. Others	NIL	NIL
B) Consumption per unit of production :		
Electricity (KWH/kg)	0.86	0.92
Furnace Oil(K. ltr/MT)	0.011	0.013



FORM 'B'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION:

Research and Development:

1. Specific areas in which Research and Development carried out by the Company:

- Optimization of process parameter to increase productivity, quality & efficiency
- New product development with special emphasis on specialty products.

2. Benefits derived as a result of the above research and development:

- Better product mix, cost reduction resulting in improved margins.
- Consistency in product quality
- Improvement in internal process

3. Future Plan of Action:

- To improve the standard of products
- Study of new material technology and development
- Re- use of waste water
- Forward integration into knitting and weaving

4. Expenditure on Research & Development:

- Capital)
- Recurring) The expenditure has been
- Total) charged under the primary
- Total Research & Development) heads of accounts.
- Expenditure as % of total turnover.)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation:

- Development of new products to cater to the market requirements. FDY with colour yarn is added in the Production capacity to cater different requirement of customers. Intermingling air system introduced to improve the quality of POY Yarn.
- Improvement / modification in process, equipments and products. The stress is laid on innovation in all the functions including production. The Company has latest state-of-art machines and the Company is continuously adopting the processes of production to increase its quality and consistency in its products. Market trends are regularly monitored to meet the requirements of the customers.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.:

- Rationalization of manufacturing cost
- Enhanced manufacturing portfolio
- Improvement in operational efficiency and quality of product

3. In case of Imported Technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: - N.A.

**AUDITORS' REPORT****TO THE MEMBERS OF FILATEX INDIA LIMITED**

1. We have audited the attached Balance Sheet of Filatex India Limited as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in para 3 above, we report that: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956,
 - (e) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of section 274(1) (g) of Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon in Schedule No.22, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of the affairs of the Company, as at March 31, 2011.
 - ii) In the case of the Profit and Loss account, of the Profit of the Company for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **AMOD AGRAWAL & ASSOCIATES**
Chartered Accountants

AMOD AGRAWAL
Partner
Membership No. 84175
FR No.005780N

Place : New Delhi
Date : 30.04.2011



Annexure referred to in paragraph (3) of our report of even date

1. a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year in a phased manner and no material discrepancies have been noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- c) The company has not disposed off substantial part of fixed assets during the year and going concern status of the company is not affected.
2. a) The management has conducted physical verification of inventory at reasonable intervals.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies in inventory were noticed on physical verification.
3. a) As informed to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) As informed to us, the company has not taken secured or unsecured loan from the companies, firm or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There are no transactions in respect of sale of services during the year. Accordingly the issue of continuing failure to correct major weakness in internal control in these areas does not apply.
5. According to the information and explanations provided by the management, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Govt. for the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have however, not made a detailed examination of these records.
9. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanations given to us there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom duty and Excise duty outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- c) According to the records of the company, there are no dues of wealth tax and cess, which have not been deposited on account of any dispute. Dues towards excise & customs duties, sales tax, VAT, service tax and income tax that have not been deposited on account of dispute are stated below:



Sl. No	Nature of Dues	Amt (Rs/lacs)	Period to Which it relates	Forum where Dispute is pending
1	NCCD on Deemed Exports & Job Work.	98.24	July, 2003 to June, 2004	Central Excise & Service Tax Appellate Tribunal, Western Zone, Ahmedabad.
2	NCCD on Deemed Exports.	2.76	July to Nov. 2004	Commissioner of Central Excise (Appeals), Vapi
3	Sales Tax	18.16	FY 2002-03	Appellate Tribunal, Noida (UP)
4	Differential duty on import of chips	14.54	December, 2007	Asst. Commissioner of Customs, Group II, E&B, JNCH, Navi Mumbai.
5	Co-Party made with a customer for discrepancies in compliance of export obligation by customer.	15.00	April, 2007	CESTAT, Western Zone, Ahmedabad.
6	Estimation of Sales value of Yarn	174.22	FY 2002-03	Supreme Court.
7	Demand on Non Receipt of Warehouse Certificate	4.81	June, 2005	Jt. Commissioner, Central Excise & Customs, Vapi.
8	Sales Tax	0.32	FY 2003-04	Jt. Commissioner (Appeals), Sales Tax
9	NCCD against CENVAT of basic excise duty	453.12	March 2006 to February 2008.	The Commissioner, Central Excise & Customs, Vapi
10	Penalty under Rule 209A of the CE Rules 1994.	0.50	FY 2005-06	The Asst. Commissioner, Customs, Group II, C&D, JNCH, Navi Mumbai.
11	Demand towards adjustments of NCCD against CENVAT credit of Basic Excise Duty.	21.68	February, 2008	The Jt. Commissioner, Central Excise & Customs, Vapi
12	Credit of Service Tax availed on courier service.	0.21	2005-06 & 2006-07	The Asst. Commissioner of Central Excise, Silvassa.
13	Cenvat availed on photocopy of Bill of Entry	0.47	FY 2008-09	The Asst. Commissioner of Central Excise, Noida.
14	Remittance of Excise Duty on Fire	3.36	FY 2008-09	The Asst. Commissioner of Central Excise, Noida.
15	Income Tax Demand on account of additions	33.37	AYs 2001-02 To 2005-06	Income Tax Appellate Tribunal, Delhi.
16	Penalty on Income Tax Demand	33.37	AYs 2001-02 To 2005-06	Commissioner of Income Tax (Appeals)
17	Income Tax Demand on account of additions	2.20	AY 2008-09	Commissioner of Income Tax (Appeals)

10. The Company has no accumulated losses at the end of the financial year. It has not incurred cash losses during the year under report and immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund, nidhi / mutual benefit fund and societies.
14. The company has not dealt/traded in shares, securities and debentures during the year.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. Based on the audit procedures applied by us and according to the information & explanations provided by the management, the term loans taken by the company during the year have been applied for the purpose for which the loans were obtained.
17. According to the information and explanation given to us and on the basis of overall examination of the Balance Sheet of the company, in our opinion, no short term funds have been used for long term uses, during the year under our report.
18. During the year, the company has not made any preferential allotment of shares. However, the company has made preferential allotment of convertible warrants to the parties covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares are to be issued against warrants is not prejudicial to the interest of the company



19. During the period covered under our audit report, the Company has not issued any debentures.
Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information & explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit that causes the financial statement to be materially misstated.

For **AMOD AGRAWAL & ASSOCIATES**
Chartered Accountants

AMOD AGRAWAL
Partner
Membership No. 84175
FR No.005780N

Place : New Delhi
Date : 30.04.2011

FILATEX INDIA LIMITED

BALANCE SHEET AS AT MARCH 31, 2011
(Rs. in Lacs)

PARTICULARS	SCHEDULE NO	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital			
Equity	1	1714.14	1714.14
Advance against Convertible Warrants (Refer Note 4 of Schedule 22)		1320.00	800.00
Reserves & Surplus	2	8746.73	7045.49
		11780.87	9559.63
LOAN FUNDS			
Secured:	3(a)		
Term Loans		4029.62	1898.57
Working Capital Loans		3122.39	1485.56
Unsecured	3(b)	100.27	83.11
		7252.28	3467.24
Liabilities under Deferred Payments (Refer Note 3 of Schedule 22)			
		918.84	-
Deferred Tax Liability		1295.73	1354.64
		21247.72	14381.51
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	4	19751.23	17738.18
Less: Depreciation		9200.73	8285.12
NET BLOCK		10550.50	9453.06
Capital Work in Progress		4282.34	671.18
		14832.84	10124.24
INVESTMENTS	5	0.01	0.01
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	5100.66	2720.44
Sundry Debtors	7	2703.44	1972.01
Cash & Bank Balances	8	777.55	294.74
Other Current Assets	9	145.86	248.29
Loans & Advances	10	1074.80	519.93
		9802.31	5755.41
LESS:CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	3037.74	1340.85
Provisions		351.70	161.30
		3389.44	1502.15
NET CURRENT ASSETS		6412.87	4253.26
Miscellaneous Expenditure (to the extent not written off or adjusted)	12	2.00	4.00
		21247.72	14381.51
Notes to Accounts	22		

The Schedules referred to above and Notes to Accounts form an integral part of the Accounts

As per our report of even date attached
for **AMOD AGRAWAL & ASSOCIATES**
Chartered Accountants

AMOD AGRAWAL
Partner
Membership No. 84175
FR No. 005780N

Place : New Delhi
Date : 30.04.2011

for and on behalf of the Board

RAM AVTAR BHAGERIA
Chairman

MADHU SUDHAN BHAGERIA
Vice Chairman & Managing Director

PURRSHOTTAM BHAGGERIA
Joint Managing Director

S C PARIJA, Director

S P SETIA, Director

B B TANDON, Director

VIBHU BAKHRU, Director

RAMAN KUMAR JHA
Company Secretary

R P GUPTA
Chief Financial Officer


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011
(Rs. in Lacs)

PARTICULARS	SCHEDULE NO	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
<u>INCOME</u>			
Gross Sales	13	53710.12	42923.48
Less: Excise Duty		5068.41	2947.42
Net Sales		48641.71	39976.06
Other Operating Income	14	91.06	41.44
Other Income	15	-	14.68
Increase/(Decrease) in Stocks	16	714.23	708.30
		49447.00	40740.48
<u>EXPENDITURE</u>			
Cost of Materials Consumed	17	40974.00	32492.32
Manufacturing & Administration expenses	18	2773.90	3059.67
Payment & Benefits to Employees	19	1152.03	987.40
Selling Expenses	20	282.65	268.01
Financial Charges	21	542.31	466.99
Depreciation		920.08	850.74
		46644.97	38125.13
Profit before Tax		2802.03	2615.35
Provisions for Tax: Current		960.23	645.87
Deferred		(58.91)	250.82
Taxation for earlier years		(0.42)	8.76
MAT Credit Entitlement		-	(8.76)
Profit after Tax		1901.13	1718.66
Balance Brought Forward from previous year		1952.26	434.14
Profit available for appropriation		3853.39	2152.80
Appropriations			
Interim Dividend		-	171.41
Proposed Equity Dividend		171.41	-
Tax on Equity Dividend		28.47	29.13
Balance Carried to Balance Sheet		3653.51	1952.26
Earnings per Share(EPS)(Face value of Rs.10/- per share)			
Basic (in Rupees)		11.09	10.03
Diluted (in Rupees)		8.99	9.85
Notes to Accounts	22		

The Schedules referred to above and Notes to Accounts form an integral part of the Accounts

As per our report of even date attached
for **AMOD AGRAWAL & ASSOCIATES**
Chartered Accountants

AMOD AGRAWAL
Partner
Membership No. 84175
FR No. 005780N

Place : New Delhi
Date : 30.04.2011

RAMAN KUMAR JHA
Company Secretary

R P GUPTA
Chief Financial Officer

for and on behalf of the Board

RAM AVTAR BHAGERIA
Chairman

MADHU SUDHAN BHAGERIA
Vice Chairman & Managing Director

PURRSHOTTAM BHAGGERIA
Joint Managing Director

S C PARIJA, Director

S P SETIA, Director

B B TANDON, Director

VIBHU BAKHRU, Director


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011
(Rs. in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
A Cash Flow from Operating Activities		
Net Profit before Tax	2802.03	2615.35
Adjusted for:-		
Depreciation	920.09	850.74
Interest expenses	360.80	293.50
Interest received	(88.23)	(27.05)
Unrealised exchange fluctuation gain	(57.55)	-
Bad debts written off / Provision for doubtful debts	-	7.22
(Profit)/Loss on Sale of Fixed Assets	2.36	0.57
(Profit)/Loss on investment	-	(5.59)
Dividend received	-	(9.09)
Miscellaneous expenses written off	2.00	2.00
Operating Profit before Working Capital Changes	3941.50	3727.65
Adjusted for:-		
Trade and Other Receivables	(1820.59)	(1007.10)
Inventories	(2380.23)	(1345.22)
Trade Payables	1730.18	(181.24)
Net cash from operating activities	1470.86	1194.09
Income Tax Paid	(860.86)	(427.83)
Wealth Tax Paid	(1.90)	0.00
Net Cash generated from Operations (a)	608.10	766.26
B Cash from Investing Activities		
Purchase of Fixed Assets (including CWIP Rs.3611.16 lacs, Previous Year Rs.671.18 lacs)	(5646.46)	(1733.49)
Sale of Fixed Assets	15.85	6.32
Purchase of Investment	-	(4750.00)
Sale of Investments	-	5033.38
Dividend received	-	9.09
Interest received	88.23	27.05
Net Cash used in Investing Activities (b)	(5542.38)	(1407.65)


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011
(Rs. in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
C Cash Flow from Financing Activities		
Proceeds/(repayment) from Unsecured Loans	17.16	(254.17)
Proceeds/(repayment) from Short Term Borrowings	56.27	(0.45)
Proceeds from Long Term Loans	1434.76	283.12
Repayment of Long Term Loan	(911.50)	(990.19)
Deferred Payment Liabilities	918.84	
Buyer's Credit import for capital goods/raw materials	3188.36	-
Unrealised exchange fluctuation gain	57.55	-
Interest Paid	(360.80)	(293.50)
Dividend & dividend distribution tax paid	-	(200.55)
Proceeds from Issue of Convertible Warrants	520.00	800.00
Net Cash Flow from Financing Activities (c)	4920.64	(655.74)
Net Increase/(Decrease) in cash & Cash Equivalents(a+b+c)	(13.66)	(1297.13)
Opening balance of Cash & Cash Equivalents	54.20	1351.33
Closing balance of Cash & Cash Equivalents	40.54	54.20
Cash & Cash Equivalents at the year end includes		
Cash in hand	15.96	13.71
<u>Balance with Scheduled Banks</u>		
On Current Accounts	23.68	21.26
Unpaid dividends	0.90*	0.96*
On Cash Credit Accounts	-	18.27
On Term Deposits	737.01	240.54
	777.55	294.74
Less- Deposit Pledged & having maturity period of more than 3 months	737.01	240.54
	40.54	54.20

Notes: * These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

Previous year figures have been regrouped wherever necessary.

The Schedules referred to above and Notes to Accounts form an integral part of the Accounts

As per our report of even date attached
for **AMOD AGRAWAL & ASSOCIATES**
Chartered Accountants

AMOD AGRAWAL
Partner
Membership No. 84175
FR No. 005780N

Place : New Delhi
Date : 30.04.2011

for and on behalf of the Board

RAM AVTAR BHAGERIA
Chairman

MADHU SUDHAN BHAGERIA
Vice Chairman & Managing Director

PURRSHOTTAM BHAGGERIA
Joint Managing Director

S C PARIJA, Director

S P SETIA, Director

B B TANDON, Director

VIBHU BAKHRU, Director

RAMAN KUMAR JHA
Company Secretary

R P GUPTA
Chief Financial Officer


SCHEDULES FORMING PART OF BALANCE SHEET
SCHEDULE 1 - SHARE CAPITAL
(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
AUTHORISED		
4,00,00,000 (Previous Year 4,00,00,000) Equity Shares of Rs.10/- each	4000.00	4000.00
	4000.00	4000.00
ISSUED, SUBSCRIBED AND PAID UP		
1,71,41,397 (Previous Year 1,71,41,397) Equity Shares of Rs.10/- each fully paid up	1714.14	1714.14
	1714.14	1714.14

SCHEDULE 2 - RESERVES & SURPLUS
(Rs. in Lacs)

	AS AT 01.04.2010	Additions during the year	Adjustments during the year	AS AT 31.03.2011
i) Securities Premium	2165.86	-	-	2165.86
ii) General Reserve	424.26	-	-	424.26
iii) Capital Reserve	1253.11	-	-	1253.11
iv) Capital Redemption Reserve	1250.00	-	-	1250.00
v) Profit & Loss A/c	1952.26	1701.25	-	3653.50
	7045.49	1701.25	-	8746.73

SCHEDULE 3 - LOAN FUNDS
(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Schedule 3 (a) - Secured Loans		
i) Term Loans from Banks		
Rupee	1927.76	-
Foreign Currency	456.25	1834.09
Vehicle Loans	37.82	64.48
Buyer's Import Credit	1607.79	-
(Payable within one year - Nil, Previous year - Nil)		
ii) Working Capital Loans from Banks		
Rupee	941.83	416.84
Foreign currency	600.00	1068.72
Buyer's Import Credit	1580.56	-
(Payable within One year - Rs.1580.56 lacs, Previous year - Nil)	7152.01	3384.13

- a) Term Loans, Foreign Currency Loans & Buyer's Import Credit availed under Letter of Comfort for capital goods from Banks are secured by way of first charge on pari-passu basis on all immovable and movable assets of the Company, both present and future (save and except inventories and book debts) and vehicles loans by way of exclusive charge on specific assets.
- b) Working capital loans & Buyer's Import Credit availed under Letters of Comfort for raw materials from scheduled banks are secured by way of hypothecation of stocks of raw material, work-in-progress, finished goods, stores & spares, other consumables and book debts of the company both present and future and by way of second charge on fixed assets of the company.
- c) The above loans except vehicle loans are further guaranteed by the three Promoter Directors in their personal capacity.
- d) Installments of term loans & vehicle loans due within next one year are Rs.925.14 lacs (previous year Rs.909.97 lacs)

Schedule - 3(b) - Unsecured Loans

i) Dealers Deposits	96.65	82.34
ii) Interest Accrued & Due	3.62	0.77
	100.27	83.11


SCHEDULE 4 - FIXED ASSETS
(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.10	Additions	Sale/ Adjust- ments	As at 31.03.11	As at 01.04.10	For the year ended 31.03.11	Adjust- ments	TOTAL	As at 31.03.11	As at 31.03.10
Tangible Assets										
Lease Hold Land	43.39	1501.11@	-	1544.50	4.26	0.53	-	4.79	1539.71	39.13
Free Hold Land	607.55	116.60	-	724.15	-	-	-	-	724.15	607.55
Factory Buildings	1144.10	-	-	1144.10	343.55	38.21	-	381.76	762.34	800.55
Non-Factory Buildings	570.85	-	-	570.85	120.94	9.30	-	130.24	440.61	449.91
Plant & Machinery	14768.19	332.44	2.14	15098.49	7558.01	820.71	1.45	8377.27	6721.22	7210.18
Office Equipments	101.88	5.91	-	107.79	42.39	4.83	-	47.22	60.57	59.49
Furniture & Fixtures	122.31	10.24	-	132.55	71.98	6.53	-	78.51	54.04	50.33
Computers	58.72	14.19	0.82	72.09	39.43	5.95	0.82	44.56	27.53	19.29
Vehicles	293.47	55.23	19.71	328.99*	95.07	28.48	2.20	121.35	207.64	198.40
	17710.46	2,035.72	22.67	19723.51	8275.63	914.54	4.47	9185.70	10537.81	9434.83
Intangible Assets										
Computer Software	27.72	-	-	27.72	9.49	5.54	-	15.03	12.69	18.23
Capital Work in Progress	671.18	3615.19 #	4.03	4282.34	-	-	-	-	4282.34	671.18
Grand Total	18409.36	5650.91	26.70	24033.57	8285.12	920.08	4.47	9200.73	14832.84	10124.24
Previous Year	16726.01	1977.56	294.21	18409.36	7477.61	850.74	43.23	8285.12	10124.24	9248.40

* Includes vehicles taken on hire purchase amounting to Rs.65.10 lacs (Upto Previous Year Rs.144.81 lacs)

Includes advances against Land and Plant & Machinery - Rs.959.28 lacs (Previous Year Rs.573.93 lacs) and Pre-Operative Expenses Rs.280.54 lacs (Previous year - Rs.97.25 lacs). Refer Note 14 of Schedule 22.

@ Includes interest capitalised Rs.21.98 lacs (Previous Year - Nil). Refer Note 3 of Schedule.22.

SCHEDULE 5 - INVESTMENTS (AT COST)

PARTICULARS	AS AT MARCH 31, 2011		AS AT MARCH 31, 2010	
	Nos of Shares/Units	Amount (Rs.in Lacs)	Nos of Shares/Units	Amount (Rs.in Lacs)
LONG TERM, NON TRADE (QUOTED)				
Fully Paid Equity Shares				
(Face Value Rs. 10/- Each, unless otherwise stated)				
Tata Coffee Ltd	5	0.03	5	0.03
B.S.I. Industries Ltd	4600	4.90	4600	4.90
Cavalet India Ltd	5000	1.79	5000	1.79
Montana International Ltd	4500	1.17	4500	1.17
		7.89		7.89
Less: Provision for diminution in value		7.88		7.88
		0.01		0.01



(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SCHEDULE 6 - INVENTORIES		
Raw Materials	2682.41	1016.93
Work in Progress	174.86	231.82
Finished Goods	1969.67	1198.47
Stores, Spares & Consumables	269.66	272.85
Goods in Transit	4.06	0.37
	5100.66	2720.44
SCHEDULE 7 - SUNDRY DEBTORS		
(Unsecured, Considered Good unless otherwise stated)		
Exceeding 6 months	5.19	101.88
Others	2698.25	1963.36
Total Debtors	2703.44	2065.24
Less: Provision for doubtful debts	-	93.23
	2703.44	1972.01
SCHEDULE 8 - CASH & BANK BALANCES		
Cash in hand	15.96	13.71
Balances with Scheduled Bank		
In Current Accounts	23.68	21.26
Unpaid Dividend Account	0.90	0.96
Cash Credit Accounts	-	18.27
In Fixed Deposits (pledged with banks as Margin Money)	736.76	240.29
In Fixed Deposits (pledged with Sales Tax Department)	0.25	0.25
	777.55	294.74
SCHEDULE 9 - OTHER CURRENT ASSETS		
Interest Receivable	15.49	0.84
Prepaid Expenses	72.77	51.57
DEPB Licenses/Customs Duty Advance	49.55	11.45
Insurance Claims Receivable	8.05	184.43
	145.86	248.29
SCHEDULE 10 - LOANS & ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in kind or value to be received (includes Rs.25.24 lacs given to employees, Previous Year - Rs.19.96 lacs)	429.77	118.19
Balance with Excise Department	481.99	141.97
VAT Receivable	29.49	29.04
Security Deposits	81.36	39.94
Mat Credit entitlement recoverable	-	140.34
Income Tax Recoverable	52.19	50.45
	1074.80	519.93


(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SCHEDULE 11 - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors - Acceptances	1328.95	-
- for Material	615.82	569.13
- for Services	105.89	133.64
- Micro/Small Enterprises (Refer Note 8 to Schedule 22)	0.80	0.62
Interest accrued, but not due	10.82	-
Advance / Credit balances of Customers	383.30	61.23
Excise Duty/Service Tax / TDS Payable	79.52	71.46
Unpaid dividend (to be transferred to Investor Protection Fund as and when due)	0.90	0.96
Others	511.74	503.81
	3037.74	1340.85
PROVISIONS		
Gratuity	109.71	88.02
Leave Encashment	70.86	59.27
Income Tax (Net of Advance Tax, TDS & MAT Credit availed aggregating to Rs.990.18 lacs, Previous Year Rs.320.77 lacs)	(29.98)	13.09
Wealth Tax	1.23	0.92
Proposed Equity Dividend & Tax thereon	199.88	-
	351.70	161.30
	3389.44	1502.15

SCHEDULE 12 - MISCELLANEOUS EXPENDITURE

Capital Issue Expenses	4.00	6.00
Less: Written off during the year	2.00	2.00
	2.00	4.00

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
(Rs. in Lacs)

	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
SCHEDULE 13 - SALES / INCOME FROM OPERATIONS		
Gross Sales - Domestic (Includes Traded goods of Rs. Nil Previous Year - Rs.26.66 lacs)	52685.63	42536.33
- Exports (Includes merchandise exports of Rs. Nil Previous Year - 107.50 lacs)	918.53	338.07
Export Incentives earned	49.43	17.87
Job Work	20.91	0.07
Sale of Scrap	35.62	31.14
	53710.12	42923.48

SCHEDULE 14 - OTHER OPERATING INCOME

Interest on FDR (TDS of Rs.3.29 lacs, Previous Year Rs.0.24 lacs)	9.55	1.52
Interest - others (TDS of Rs.0.84 lacs, Previous Year Rs.1.92 lacs)	78.68	25.53
Provisions written back no longer required	-	11.00
Insurance Claim received	2.46	3.15
Miscellaneous Receipts	0.37	0.24
	91.06	41.44


(Rs. in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
SCHEDULE 15 - OTHER INCOME		
Dividend (On current investments, non trade)	-	9.09
Profit on sale of Mutual Funds	-	5.59
	<u>-</u>	<u>14.68</u>
SCHEDULE 16 - INCREASE/(DECREASE) IN STOCK		
Opening Stock of Finished Goods and Work in Progress	1430.29	721.99
Closing Stock of Finished Goods and Work in Progress	2089.18	1345.57
Increase / (Decrease) in Excise Duty on Stocks	55.34	84.72
	<u>714.23</u>	<u>708.30</u>
SCHEDULE 17 - COST OF MATERIAL CONSUMED		
Raw Material	38718.31	30368.71
(Includes exchange fluctuation of Rs. (26.37) lacs, previous year Rs.2.66 lacs)		
Consumables	158.04	162.97
Store & Spares	520.24	404.92
Packing Material	1577.41	1419.66
Goods for resale	-	136.06
	<u>40974.00</u>	<u>32492.32</u>
SCHEDULE 18 - MANUFACTURING & ADMINISTRATIVE EXPENSES		
Repair & Maintenance - Machinery	144.09	89.62
- Building	35.43	126.81
- Others	41.23	35.56
Electricity expenses	16.51	18.61
Power & Fuel	2202.18	2488.05
Rates & Taxes	5.93	6.73
Printing & Stationery	12.48	13.93
Postage, Telephone & Telegram	30.98	29.21
Rent	71.56	63.26
Travelling & Conveyance	85.41	72.54
Vehicle Running & Maintenance	27.78	24.75
Legal & Professional Charges	19.29	17.18
Auditors' Remuneration (Net of Service Tax)	4.24	4.21
Insurance Expenses	50.20	42.33
Directors' Sitting Fees	0.95	0.93
Security Services	14.70	6.18
General Expenses	9.25	5.09
Miscellaneous Expenditure Written off	2.00	2.00
Donation	0.51	0.29
Advertisement & Publicity	12.63	6.09
Membership Fees & Subscription	6.81	7.38
Loss on Sales of Fixed Assets	2.36	0.57
Exchange Fluctuation (Gain)/Loss on Sales	(22.62)	(1.65)
	<u>2773.90</u>	<u>3059.67</u>



(Rs. in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
SCHEDULE 19 - PAYMENT & BENEFITS TO EMPLOYEES		
Salary, Wages, Bonus & Commission	999.92	883.32
Employer's Contribution to Provident & other Funds	72.10	43.29
Other Benefits	80.01	60.79
	1152.03	987.40
SCHEDULE 20 - SELLING EXPENSES		
Market Development	7.52	21.67
Freight Outward (Net)	108.35	79.68
Commission & Claims	166.78	159.44
Bad Debts Written off	93.23	10.70
Provision for doubtful debts written back	(93.23)	(3.48)
	282.65	268.01
SCHEDULE 21 - FINANCIAL CHARGES		
Interest on Term Loans	133.34	157.57
Interest on Working Capital Loans & Others	226.28	133.64
Interest on Income Tax	1.19	2.28
Bank Charges	91.06	67.44
Premium on Forward Contracts	90.44	106.06
	542.31	466.99

SCHEDULE-22 –SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS.
I. NATURE OF OPERATION

Filatex India Ltd. is a manufacturer of Polyester, Nylon, Polypropylene Multi & Mono Filament Yarns and Narrow fabrics.

II. SIGNIFICANT ACCOUNTING POLICIES
a) Accounting Concepts

The financial statements are prepared under the historical cost convention in compliance with the Accounting Standards specified to be mandatory by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Fixed Assets & Depreciation:

- i) Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

Borrowing cost relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

- ii) Depreciation has been provided on straight-line method on pro-rata basis at the rates & manner prescribed in Schedule XIV of the Companies Act, 1956 except for the following assets where higher rate of depreciation is charged to represent the useful life of these assets.



Description	Rates charged (SLM)	Schedule XIV Rate (SLM)
Plant & Machinery (pre-used)	8.33%	5.28
Plant & Machinery (Capital spares)	12.50%	5.28

iii) Fixed assets costing below Rs.5,000/- are fully depreciated in the year of acquisition.

iv) Lease hold land is amortized over the period of lease.

v) Expenditure incurred during the construction period.

Expenditure directly relating to construction activity is capitalized (net of income, if any), Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent, to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is not related to construction activity nor is incidental thereto is charged to Profit & Loss Account.

vi) Capital Work in Progress is stated at cost (including borrowing cost, where applicable) incurred during construction, installation/ pre-operative period relating to items or projects in progress.

c) Foreign Currency Transactions

i) Initial Recognition:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transactions.

ii) Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

iii) Forward Exchange Contracts (Derivative instruments) not intended for trading or speculation purposes

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

d) Inventories

Inventories are valued as follows:

Raw Material & Others:

Lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on First In First Out (FIFO) basis.

Work in Progress and Finished Goods:

Lower of cost or net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

By Products and Waste :

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

e) Investments

Investments are stated at Cost less provision for diminution in value.



f) Employees Benefits

The Employees' Gratuity Fund and Leave Encashment schemes are the company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit credit Method.

g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are net of return, volume discount, trade discounts & sales tax /VAT including excise duty.

Export Benefits

Export benefits constituting import duty benefits under Duty Exemption Pass Book (DEPB) and Advance License Scheme are accounted for on accrual basis.

Interest Income

Interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

Insurance claims

Insurance claims are recognized to the extent the company is reasonably certain of their ultimate receipt.

h) Borrowing cost

Borrowing cost attributable to acquisitions and construction of assets are capitalized as a part of cost of such assets upto the date when such assets are ready for its intended use and other borrowing cost are charged to Profit & Loss Account.

i) Accounting for Taxes on Income

Provision for tax on income is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

j) Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

k) Intangibles

Intangible assets, software etc. are accounted at their cost of acquisition and amortized over their estimated economic life not exceeding 5 years. Leasehold improvements are charged to the Profit & Loss Account over the primary period of lease.

l) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.



m) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year and adjusted for the effects of all dilutive potential Equity Shares.

n) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as expenses in the Profit & Loss Account on a straight-line basis over the lease term.

o) Miscellaneous Expenditure

Miscellaneous expenditure represents expenses incurred for issue of share capital. The same are written off over a period of five years in equal installments.

III. NOTES TO ACCOUNTS:

1. (i) Contingent liabilities not provided for in respect of: **(Rs. in Lacs)**

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
a) Letters of Credit	9593.03	4473.99
b) Unexpired Bank Guarantees	353.86	234.87
c) Excise / Customs (mainly relating to reversal of cenvat credit of NCCD & valuation of texturised yarns).	809.50	879.68
d) Sales Tax demand (emerging from rejection of consignment sales due to different interpretation)	19.13	19.13
e) Income Tax demand on account of :		
- MAT for AY 2004-05 due to different interpretation of brought forward losses	34.94	34.94
- Additions for the period AY 2001-02 to 2005-06	33.37	33.37
- Penalty for the period AY 2001-02 to 2005-06	33.37	-
- Additions for AY 2008-09	2.20	-
f) Claims against the company not acknowledged as debts	55.87	55.87

- (ii) The company carries an export obligation of Rs.5192.85 lacs (Previous year Rs.2836.39 lacs) under EPCG against duty free import of plant & machinery.
2. Capital contracts remaining to be executed (net of payments) and not provided for :-Rs. 2510.43 lacs (Previous year- Rs.9712.19 lacs).
3. The company had initiated implementation of a project for Continuous Poly-condensation cum POY capacity at Village Nani Tambadi, Valsad, Gujarat and has incurred an amount of Rs.810.00 lacs for acquisition of land and construction of building thereon, which had to be suspended due to unavoidable circumstances. The expenditure incurred on construction of building has been shown under CWIP. The management intends to sell / use the same for an alternative purpose. Subsequently, the project has been shifted to a



new land which has been allotted by GIDC at Dahej, Gujarat on deferred payment basis. The Lease Deed for the same is pending execution. However, the company has been given possession of the land and has started construction activities thereon.

4. The company had issued 40,00,000 Convertible Warrants to be converted at the option of warrant holders in one or more tranches within 18 months from March 04, 2010 i.e. the date of allotment of warrants into equivalent number of fully paid up equity shares of the company of the face value of Rs.10/- each at an exercise price of Rs.40.00 per share (including premium of Rs.30.00 per share) to the Promoters / persons belong to Promoters Group on preferential basis.

The company has received an amount of Rs.1320.00 lacs (including Rs.800.00 lacs received during 2009-10) and the same has been utilized towards part financing of acquisition of land, construction of building and payment of advances to suppliers of plant & machinery for the company's proposed project for setting up a unit for continuous poly-condensation facility and expansion of POY capacity.

5. Auditor's Remuneration (Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
a) Audit Fees	3.64	3.64
b) Tax Audit Fees	0.77	0.77
c) Out of Pocket Expenses	0.24	0.21
	4.65	4.62

Note: Auditors Remuneration includes service tax of Rs. 0.41 lacs (previous year Rs. 0.41 lacs)

6. Managerial Remuneration: (Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
a) Salary & Allowances	58.50	46.80
b) Employer's Contribution to PF	0.28	0.28
c) Value of Perquisites	11.68	10.34
d) Commission	86.03	82.64
	156.49	140.06

Vice Chairman & Managing Director & the Joint Managing Directors are covered under the company's Gratuity and Leave encashment rules with the other employees of the company. Combined gratuity and leave encashment liabilities have been determined for all the employees on an independent actuarial valuation. Such liabilities for these Directors cannot be ascertained separately and therefore the same has not been included in the above.

7. Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956.

(Rs. in Lacs)

Profit before Taxation	2802.03
Add: Provision for Doubtful Debts	(93.23)
Loss on sale of assets	2.36
Remuneration to Directors	70.46
Commission	86.03
	2867.65
Less: Profit on sale of assets	-
Net Profit for the year available for Commission	2867.65
Commission payable to the Managing & Joint Managing Directors.	86.03



8. Amount due to Suppliers covered under Micro Small & Medium Enterprises Development (MSMED) Act, 2006, on the basis of information available with the company, is as follows:

(Rs. in Lacs)

Description	Year Ended March 31, 2011	Year Ended March 31, 2010
Principal amount outstanding at the end of the year	0.80	0.62
Interest paid during the year	-	-
Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Interest due of the previous year	-	-

9. Earnings per Share (EPS) computed in accordance with AS-20 on 'Earnings per Share'.

(Rs. in Lacs)

Description	Year Ended March 31, 2011	Year Ended March 31, 2010
i) Net Profit for the year	1901.12	1718.65
Less: Extra Ordinary Items.	-	-
Amount available for equity share holders	1901.12	1718.65
ii) Weighted average number of shares for basic EPS	17141397	17141397
Add: Weighted number of Potential Equity Shares under Convertible Warrants	4000000	306849
Weighted average Number of Equity shares including Potential Equity for diluted EPS	21141397	17448246
iii) Basic EPS (In Rupees)	11.09	10.03
Diluted EPS (In Rupees)	8.99	9.85

10. Details of Deferred Tax Liabilities / (Assets) are as under:

(Rs. in Lacs)

Description	Year Ended March 31, 2011	Year Ended March 31, 2010
(a) Deferred Liabilities:		
Timing difference on account of Depreciation	4086.21	4282.15
Unrealized Foreign Exchange Difference	57.55	—
Total Deferred Liabilities	4143.76	4282.15
(b) Deferred Assets:		
- Disallowance u/s 43B of Income Tax	243.02	203.53
- Provision for doubtful debts	—	93.23
Total Deferred Assets:	243.02	296.76
(c) Net Deferred Liabilities / (Assets)	3900.74	3985.39
(d) Deferred Tax Liabilities /(Assets)	1295.73	1354.63
(e) Deferred Tax Liabilities /(Assets) for the year	(58.91)	250.82

11. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in manufacture of Synthetic Yarn & Textiles.

12. Derivative Instruments and Unhedged Foreign Currency Exposure:

- i) Forward contract outstanding as at Balance Sheet date.

Particulars of Derivatives	Year Ended March 31, 2011	Year Ended March 31, 2010	Purpose
Purchase USD	23,29,735	62,78,329	Repayment of Loan
Purchase USD	5,39,646	—	Repayment of Buyer's Credit
Purchase USD	5,92,500	—	Repayment of Acceptance
Purchase USD	48,706	—	Interest on Buyer's Credit



ii) Particulars of Unhedged Foreign Currency Exposures as at Balance Sheet date

Particulars	Amount in Foreign Currency (USD)		Amount in (Rs. in Lacs)	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Import Creditors	5238232	2,450	2354.06	1.13
Buyers Credit	3577650	—	1607.80	—
Export Debtors	25728	50,531	11.54	23.08

iii) Premium for forward contracts for unexpired period of Rs.20.52 lacs has been carried over to next year (Previous year Rs.27.52 lacs) and will be charged to Profit & Loss Account as and when the underlying transaction will mature.

13. Related Party Disclosure:

(i) Names of related parties and nature of relationships:

- a) Key managerial personnel:
 - Shri Madhu Sudhan Bhageria
 - Shri Purrshottam Bhaggeria
 - Shri Madhav Bhageria
- b) Relative of key managerial personnel:
 - Shri Ram Avtar Bhageria (Father of related parties mentioned at (a)above.
- c) Enterprises owned or significantly influenced by key managerial personnel:
 - M/s Ram Avtar Bhageria (HUF)
 - M/s Madhu Sudhan Bhageria (HUF)
 - M/s Purrshottam Bhaggeria (HUF)
 - M/s Madhav Bhageria (HUF)
 - M/s Nouvelle Securities Pvt. Ltd.
 - M/s SMC Yarns Pvt. Ltd.
 - M/s Azimuth Investments Ltd.

 (ii) Transactions with related parties during the year : (Rs. in Lacs)

Nature of Transactions	Key Management Personnel	Relative of key managerial personnel	Enterprises owned or significantly influenced by key managerial personnel
Rent	14.62 (14.51)	4.20 (4.20)	5.16 (—)
Convertible Warrants Issued	196.95 (160.00)	— (—)	323.05 (640.00)
Loans taken	— (—)	— (—)	— (1110.00)
Loans repaid	— (—)	— (—)	— (1360.00)
Interest paid	— (—)	— (—)	— (4.97)
Amount outstanding as on 31/03/11	— (—)	— (—)	— (—)
Guarantees given against loan(s) taken	Refer Schedule 3(a)		
Managerial Remuneration	Refer Note 6 above		

No amount has been written off or provided for in respect of transactions with related parties.



14. Details of Pre-operative expenses incurred related to Poly Project referred in Schedule-4 of the balance sheet are as under:

(Rs. in Lacs)

Description	Up to 31.03.2010	During 2010-11	Total As on 31.03.2011
Payment & Benefits to Employees	10.06	30.08	40.14
Staff Welfare	—	1.21	1.21
Upfront Fees & Bank Charges	69.50	47.92	117.42
Legal & Professional Expenses	5.94	19.50	25.44
Travelling & Conveyance Expenses	11.75	25.28	37.03
Insurance Expenses	—	8.76	8.76
Electricity & Water Expenses	—	3.14	3.14
Printing & Stationery	—	0.57	0.57
Rates & Taxes	—	1.99	1.99
Interest	—	53.52	53.52
Miscellaneous Expenses	—	6.27	6.27
Total:	97.25	198.24	295.49
Interest received	—	14.95	14.95
Net Pre-Operative Expenses	97.25	183.29	280.54

15. The company has adopted Accounting Standard 15 (Revised 2005) Employee Benefits. Accordingly, the company has provided long term employee benefits on the basis of actuarial valuation done as per "Projected Unit Credit Method".

(Rs. in Lacs)

Particulars	As on 31.03.2011		As on 31.03.2010	
	Gratuity	Leave Wages	Gratuity	Leave Wages
RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF OBLIGATIONS				
Present value of obligation at the beginning of the year	88.02	59.27	89.16	47.96
Current Service Cost	16.00	12.80	13.37	11.77
Past Service Cost	12.84	—	—	—
Interest Cost	6.86	4.62	6.24	3.36
Benefits paid	(11.33)	(9.01)	(8.71)	(7.52)
Net actuarial (Gain) / Loss recognized in the year	(2.68)	3.18	(12.05)	3.70
Present value of obligation at the end of the year	109.71	70.86	88.02	59.27
RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AND FAIR VALUE OF PLAN ASSETS :				
Present value of obligation at the end of the year	109.71	70.86	88.02	59.27
Fair value of plan assets at the year end	—	—	—	—
Net Liability recognized in the Balance Sheet	109.71	70.86	88.02	59.27
COST OF THE YEAR :				
Current service cost	16.00	12.80	13.37	11.77
Past Service Cost	12.84	—	—	—
Interest Cost	6.86	4.62	6.24	3.36
Net actuarial (Gain) / Loss recognized in the year	(2.68)	3.18	(12.05)	3.70
Net cost recognized during the year	33.02	20.61	07.57	18.83
ASSUMPTION :				
Discount Rate	8.00%	8.00%	7.80%	7.80%
Rate of Increase in compensation	8.00%	8.00%	8.00%	8.00%
Employees age group	33	33	33	33



The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

The amounts for the current and previous two years are as follows:

(Rs. in Lacs)

DESCRIPTION	GRATUITY		
	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	109.71	88.02	89.17
Plan Assets	—	—	—
Deficit	109.71	88.02	89.17
Experience adjustments on plan liabilities (Loss)/Gain	14.29	7.24	5.80
Experience adjustments on plan assets	—	—	—

16. The company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non- cancelable and are renewable by mutual consent. There is no restriction imposed by lease agreements. There are no sub leases.

(Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
Total Lease payment for the year	76.52	62.67
Minimum lease payments not later than One year	81.68	67.79
Later than One year but not later than Five years.	51.16	66.19
Later than Five years	—	—

17. Additional information pursuant to the provisions of paragraph 3,4C & 4D of part II of the Schedule-VI of the Companies Act, 1956 (as certified by the Management):

a) Details of Capacity & Production

Class of Goods	Unit	Licensed Capacity	Installed Capacity (\$)		Actual Production	
			Year ended March 31, 2011	Year Ended March 31, 2010	Year ended March 31, 2011	Year Ended March 31, 2010
Polyester, Nylon & Polypropylene Monofilament Yarn	MT	#	1750	1750	1642.317** +	1436.281**
Polyester & Polypropylene Filament Yarn	MT	#	68150*	68150*	66291.335*** ++	59913.443 *** ++
Narrow Fabrics	MT	#	2555	1890	1637.259 +++	659.839

Delicensed

\$ Being a technical matter relied upon by auditors as certified by the Management.

* Calculated at standard denier of 126 POY for Polyester 250 for Polypropylene.

** Includes Job Work of 83.088 MT (Previous year 0.244 MT)

*** Includes Captive Consumption of 10252.012 MT (Previous year – 9450.158 MT) and Issued for job work -Nil (Previous Year – 51.679 MT)

+ Includes 9.442 MT obtained as salvage from Insurance Company (Previous Year Nil)

++ Excludes reprocessed production of 1538.514 MT (Previous Year – 1297.315 MT)

+++ Issued for job work – 106.392 MT (Previous Year – Nil)


b) Raw Materials Consumed (excluding traded goods)

Item	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Quantity (MTs)	Value (Rs. in Lacs)	Quantity (MTs)	Value (Rs. in Lacs)
Polyester Chips	51842.911	31683.56	45212.020	24295.09
Nylon Chips	178.509	248.04	402.516	411.94
Polypropylene Chips	7419.914	5206.12	7372.312	4500.25
Polyester Textured Yarn	—	—	79.653	55.29
Others	—	3836.28	—	3093.70

c) Particulars in respect of goods dealt with by the Company:
(i) Manufactured Goods

ITEMS	Opening		Stock Sales		Closing Stock	
	Qty (MTs)	Value (Rs.in Lacs)	Qty (MTs)	Value (Rs.in Lacs)	Qty (MTs)	Value (Rs.in Lacs)
Polyester, Nylon & Polypropylene Monofilament Yarn	142.322 (40.590)	152.77 (42.09)	1711.712* (1317.187)	2049.62* (1810.58)	72.927 (142.322)**	77.53 (152.77)
Polyester & Polypropylene Multifilament Yarn	1217.603 (752.090)	1020.13 (552.50)	55447.087 (49946.093)	50237.98 (40165.27)	1809.840 (1217.603)	1588.65 (1020.13)
Narrow Fabrics	24.117 (—)	22.82 (—)	1179.785 (635.722)	1287.60 (693.99)	375.199 (24.117)	292.64 (22.82)
Waste/Scrap	— (—)	2.76 (1.84)	— (—)	134.92 (119.48)	— (—)	10.85 (2.76)
Total :	1384.042 (792.680)	1198.48 (596.43)	58388.584 (51899.001)	53710.12 (42789.32)	2257.966 (1384.042)	1969.67 (1198.47)

Note : Figures given in brackets are for previous year.

* Includes job work sale quantity 83.088 MTs amounting to Rs.20.91 lacs (Previous year 0.244 MTs amounting to Rs.0.07 lacs).

** Excludes inventory of 17.362 MT lost in fire at Noida plant during the previous year.

(ii) Traded Goods
(Rs. in Lacs)

ITEMS	Opening Stock		Purchases		Sales		Closing Stock	
	Qty (MTs)	Value	Qty (MTs)	Value	Qty (MTs)	Value	Qty (MTs)	Value
Polyester Textured Yarn	— (—)	— (—)	— (164.136)	— (126.29)	— (164.136)	— (123.92)	— (—)	— (—)
Polyester FDY Yarn	— (—)	— (—)	— (0.260)	— (9.77)	— (10.260)	— (10.24)	— (—)	— (—)
Total :		— (—)		— (136.06)		— (134.16)		— (—)

Note: Figures given in brackets are for previous year.

d) Value of imported and indigenous raw materials consumed & percentage thereof.

DESCRIPTION	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Value (Rs. in Lacs)	Percentage (%)	Value (Rs. in Lacs)	Percentage (%)
I) Raw Materials				
- Imported	7829.42	20.22	482.24	01.59
- Indigenous	30888.90	79.78	29831.18	98.41
Total :	38718.32	100.00	30313.42	100
ii) Consumable/ Spares				
- Imported	106.61	15.72	43.50	07.66
- Indigenous	571.67	84.28	524.39	92.34
Total :	678.28	100.00	567.89	100


e) Value of Imports on CIF Basis
(Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
i) Raw Materials	8276.58	533.83
ii) Capital Goods	2301.30	145.96
iii) Consumable/Spares	107.19	59.21

f) Expenditure in Foreign Currency (Payment Basis)
(Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
i) Foreign Travel	23.43	18.43
ii) Commission	4.50	4.37
iii) Foreign Bank Charges	1.08	0.45
iv) Bank Interest	96.47	241.95
v) Interest on Buyer's Credit	6.38	—

g) Earnings in Foreign Exchange
(Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
FOB Value of Export of Goods (excluding deemed exports)	792.40	305.24

h) Net dividend paid to Non-Resident (NRI) shareholders:
(Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2011	Year Ended March 31, 2010
i) Number of NRI shareholders (in absolute numbers)	—	4
ii) Number of equity shares held on which dividend paid	—	2875
iii) Dividend paid by depositing in their NRE/NRO A/c in Indian Rupees (Rs.in lacs)	—	0.03

18. Figures have been rounded off to rupees in lacs.

19. Previous year figures have been re-grouped and/or rearranged wherever considered necessary.

The Schedules referred to above and Notes to Accounts form an integral part of the Accounts

 As per our report of even date attached
for AMOD AGRAWAL & ASSOCIATES
 Chartered Accountants

AMOD AGRAWAL

Partner

Membership No. 84175
FR No. 005780N

Place : New Delhi

Date : 30.04.2011

for and on behalf of the Board
RAM AVTAR BHAGERIA
 Chairman

MADHU SUDHAN BHAGERIA
 Vice Chairman & Managing Director

PURRSHOTTAM BHAGGERIA
 Joint Managing Director

S C PARIJA, Director

S P SETIA, Director

B B TANDON, Director

VIBHU BAKHRU, Director

RAMAN KUMAR JHA
 Company Secretary

R P GUPTA
 Chief Financial Officer


BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details:	
Registration Number	L17119DN1990PLC000091
State Code	54
Balance Sheet Date	31.03.2011
II Capital Raised During the year	Amt (Rs. in Lacs)
Public Issue	-
Rights Issue	-
Bonus Issue	-
Preferential Convertible Warrants	520.00
III Position of Mobilization and Deployment of Funds	
Total Liabilities	24637.15
Total Assets	24637.15
Source of Funds	
Paid up Capital	1714.14
Convertible Warrants	1320.00
Reserves and Surplus	8746.73
Secured loans	7152.01
Deferred Liabilities	918.84
Unsecured Loans	100.27
Deferred Tax liabilities	1295.73
Total	21247.72
Application of Funds	
Net Fixed Assets	14832.84
Investments	0.01
Net Current Assets	6412.87
Miscellaneous Expenditure	2.00
Total	21247.72
IV Performance of the Company:	
Turnover /Other income	48732.76
Expenditure	45930.74
Profit/(Loss) before tax	2802.03
Provision for taxation	900.90
Profit/(Loss) after tax	1901.13
Earning per share (Rs.) – Basic	11.09
– Diluted	8.99
Proposed Dividend Rate	10%
V Generic Name of Three Principal Products/Services of Company (as per monetary terms)	
Item code No	5402
Product Description	Synthetic Filament Yarn
Item code No	5402
Product Description	Polyester, Nylon & Polypropylene Monofilament Yarn
Item code No	5806
Product Description	Narrow Fabrics

The Schedules referred to above and Notes to Accounts form an integral part of the Accounts

As per our report of even date attached
for **AMOD AGRAWAL & ASSOCIATES**
Chartered Accountants

AMOD AGRAWAL
Partner
Membership No. 84175
FR No. 005780N

Place : New Delhi
Date : 30.04.2011

for and on behalf of the Board

RAM AVTAR BHAGERIA
Chairman
MADHU SUDHAN BHAGERIA
Vice Chairman & Managing Director
PURRSHOTTAM BHAGGERIA
Joint Managing Director
S C PARIJA, Director
S P SETIA, Director
B B TANDON, Director
VIBHU BAKHRU, Director

RAMAN KUMAR JHA
Company Secretary

R P GUPTA
Chief Financial Officer



NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of FILATEX INDIA LIMITED will be held on Monday, the 4th July, 2011 at 9.30 A.M. at the Registered Office of the Company at SURVEY NO.274, DEMNI ROAD, DADRA, (U.T. OF DADRA & NAGAR HAVELI)- 396 191 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet of the Company as at March 31, 2011 and the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2011.
3. To appoint a Director in place of Shri S. C. Parija, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B. B. Tandon, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors for the financial year 2011-12 and authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, Rules, Regulations, Guidelines, if any, of the Securities and Exchange Board of India (SEBI) (including any statutory amendment(s), modification(s) and/or re-enactment(s), Reserve Bank of India (RBI) and/or other concerned authority (ies) and subject to such approval(s), consent(s), permission(s) and/or sanction(s) of SEBI, Stock Exchanges, RBI and/or any other concerned authority(ies), institution(s) or body(ies), as may be necessary and subject to such condition(s) as may be prescribed by any of them in granting any such approval, consent, permission or sanction, the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board to be constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized on behalf of the Company to issue, offer and allot by way of Preferential Issue upto 28,58,603 Equity Shares of Rs. 10 each at a price of Rs. 50 per Equity Share determined in accordance with the Regulations on Preferential Issue as contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as on relevant date i.e. 4th June, 2011 to following persons belonging to the Non-Promoter Category:

S. No.	Name of the persons	Category	Number of Shares to be allotted
1	RMP Holdings Pvt. Ltd.	Non-Promoter	900000
2	ANM Fincap Pvt. Ltd.	Non-Promoter	500000
3	Nishit Fincap Pvt. Ltd.	Non-Promoter	400000
4	Shree Ganesh Projects Pvt. Ltd.	Non-Promoter	200000
5	Somerset Emerging Opportunities Fund	Non-Promoter	700000
6	Shiv Kumar Singhal (HUF)	Non-Promoter	158603
TOTAL			2858603

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari-passu in all respects with the existing Equity Shares of the Company except that the Equity Shares so issued shall be subject to lock-in for a period of one year from the date of allotment or upto such extended period as per provisions of SEBI regulations and that the said Equity Shares will be listed on the Stock Exchanges where the existing Equity Shares of the Company are listed;

RESOLVED FURTHER THAT the equity shares, if any, already held by the proposed allottees shall be under lock-in from the relevant date i.e 4th June, 2011 upto a period of six months from the date of allotment of the said Equity Shares.

RESOLVED FURTHER THAT the equity shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI Regulations except to the extent and in the manner permitted thereunder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution to issue and allot the said Equity Shares and listing thereof with the Stock Exchange(s), the Board of Directors (or the duly constituted Committee) be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may in its discretion, deem necessary, proper and desirable for such purpose and with powers on behalf of the Company to settle any question, difficulty or doubt that may arise in the proposed offer, issue and allotment of such Equity Shares including utilization of the issue proceeds and to take such actions or give such directions as they may consider necessary and desirable and to obtain any approval(s), consent(s), permission(s) and/or sanction(s) which may be necessary or desirable, as they may deem fit ;

RESOLVED FURTHER THAT the Board be and is hereby authorized to make in its own accord or to accept such amendments, modifications, variations and alterations as the RBI, SEBI, Stock Exchanges and/or any other appropriate authority(ies) may stipulate in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors to give effect to this resolution.”



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

“RESOLVED THAT in supersession of the resolution passed at the 15th Annual General Meeting held on 30.09.2005, consent of the Company be and is hereby accorded to the Board of Directors in terms of Section 293(1)(d) and other applicable provisions if any, of the Companies Act, 1956, for borrowing monies from time to time for the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the aggregate amount of monies which so borrowed (apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed the sum of Rs.750 Crores (Rupees Seven Hundreds Fifty Crores only)”.

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:-

“RESOLVED THAT in supersession of the resolution passed at the 15th Annual General Meeting held on 30.09.2005, consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1)(a) and other applicable provision, if any, of the Companies Act, 1956, to create mortgage, charge, hypothecation, lien and other encumbrances, if any, by the Company, as the Board may deem fit, on the assets of the Company, both present and future, favouring various lenders who have granted and/or who may hereafter grant to the Company, financial facilities in the nature of short term/long terms, or other forms of secured financial facilities for an aggregate nominal value not exceeding Rs. 750 crores (Rupees Seven Hundreds Fifty Crores only) for the purpose of securing the said facilities granted/ to be granted to the Company together with interest, further interest, liquidated damages, cost, charges, expenses and other monies payable by the Company under the terms of the respective financial facilities.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to finance with the respective lenders the security documents and such other documents/agreements for creating or evidencing the creation of mortgage and/or charge as aforesaid and to do all such other acts, deeds and things and resolve any matter as may be necessary for giving effect to this resolution.”

By Order of the Board of Directors
For FILATEX INDIA LIMITED

PLACE : NEW DELHI

DATE : 4TH JUNE, 2011

REGISTERED OFFICE:

Survey No.274, Demni Road, Dadra

(U.T. of Dadra & Nagar Haveli) 396 191

RAMAN KUMAR JHA
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 OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item No. 6 to 8 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 27th June, 2011 to 4th July, 2011 (both days inclusive) for payment of dividend on equity shares and ensuing Annual General Meeting.
4. The payment of dividend, if declared at the 21st Annual General Meeting, will be made to those shareholders whose names appear on the Company's Register of Members as at the closing business hours on 25th June, 2011. In respect of shareholding in dematerialized form, dividend will be paid to the beneficial owners as per the details to be furnished by the Depositories.
5. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
6. Members are requested to bring their copies of the Annual Report of the Annual General Meeting.
7. Members are requested to notify:
 - a) change of address, if any, with Pin Code, quoting reference of their folio number, to the Company.
 - b) members who are holding shares in Demat Mode are requested to notify any change in their address to their respective Depository Participant.
8. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
9. Members who have not yet encashed dividend for the financial year 2009-10 are requested to write to the Company Secretary of the Company.
10. All Documents referred to in the Notice and Explanatory Statement (including Auditor's Certificate certifying that the issue of the Equity Shares is being made in accordance with SEBI (Issue of Capital and Disclosure Requirements)



Regulations, 2009) are open for inspection by the members at the Registered Office of the Company on any working day during office hours from 10.00 A.M. to 1.00 P.M. upto the date of the Meeting

11. As a part of Green initiative in the Corporate Governance, the Ministry of Corporate Affairs (MCA) vide its dated 21st and 29th April, 2011, permitted service of documents through electronic mode in place of physical mode to all the shareholders. Your Company are also keenly desiring to participate in such initiative and request all the shareholders to update their email Ids with their Depositories (NSDL & CDSL) or send their email IDs alongwith DP ID/Client ID to the Company enabling your Company to serve all future communication through email.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Company is in the process of setting up of a Polyester Poly Condensation plant with a capacity of 216000 TPA alongwith expansion of Polyester POY capacity by 108000 TPA in the state of Gujarat. To part finance the said project, it is proposed to issue on preferential basis 28,58,603 Equity Shares of Rs. 10 each at a price of Rs. 50 per Equity Share to persons belonging to the Non-Promoter Category as set out in the said Resolutions.

The issue price of the proposed issue is Rs. 50 per Equity share which is higher than the minimum price as determined in accordance with the Regulations for Pricing on Preferential Issue under Chapter VII of SEBI (ICDR) Regulations, 2009.

The relevant date on the basis of which the price of the issue of shares has been calculated is 4th June, 2011, being 30 days prior to the date of the Annual General Meeting to be held on 4th July, 2011.

Disclosures which are required to be given in the Explanatory Statement to the Notice of General Meeting in terms of Regulation 73 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as on the date of this Notice are given below:

i) Objects of the Issue

To part finance the project of setting up Polyester Poly Condensation plant with a capacity of 216000 TPA alongwith expansion of Polyester POY capacity by 108000 TPA being set up at GIDC, Dahej in the state of Gujarat.

ii) Intention of Promoters/Directors/Key Managerial persons to subscribe to the Offer

The Promoter/Directors/Key Managerial persons don't intend to subscribe to the proposed issue.

iii) Shareholding pattern before and after the preferential issue

As the members of the Company are aware that the Company had allotted 40,00,000 convertible warrants to persons belonging to the Promoter group, which are convertible into equivalent number of equity shares on or before 3rd September, 2011. The Post Shareholding Patterns have been prepared as on 30th May, 2011 under both scenarios-without conversion of warrants and also with conversion of warrants:

Category	Pre issue holding		Post issue holding before conversion of Warrants		Post issue holding after conversion of Warrants	
	No. of Equity Shares	% of total capital	No. of Equity Shares	% of total capital	No. of Equity Shares	% of total capital
A. Promoters & Promoter Group	8618495	50.28	8618495	43.09	12618495	52.58
Sub Total (A)	8618495	50.28	8618495	43.09	12618495	52.58
B. Public Shareholding						
1. Institutions						
Mutual Funds/UTI	63400	0.37	63400	0.32	63400	0.26
Financial Institutions /Banks	100	-	100	-	100	-
Foreign Institutional Investors:						
Somerset Emerging Opportunities Fund	902000	5.26	1602000	8.01	1602000	6.68
Amam Ltd. A/c Amas India Investments Mauritius Limited	800000	4.67	800000	4.00	800000	3.33
Sub- Total (B)(1)	1765500	10.30	2465500	12.33	2465500	10.27
2. Non-Institutions						
Bodies Corporate						
RMP Holdings Pvt. Ltd.	30000	0.18	930000	4.65	930000	3.88
ANM Fincap Pvt. Ltd.	-	-	500000	2.50	500000	2.08
Nishit Fincap Pvt. Ltd.	-	-	400000	2.00	400000	1.67
Shree Ganesh Projects Pvt. Ltd.	165000	0.96	365000	1.83	365000	1.52
Other Bodies Corporate	2392672	13.96	2392672	11.96	2392672	9.97
Individuals	3982657	23.23	3982657	19.92	3982657	16.60
Others						
Trust	20000	0.12	20000	0.10	20000	0.08
NRIs	8200	0.05	8200	0.04	8200	0.03
Clearing Members	12556	0.07	12556	0.06	12556	0.05
Hindu Undivided Families:						
Shiv Kumar Singhal (HUF)	-	-	158603	0.79	158603	0.66
Other HUFs	146317	0.85	146317	0.73	146317	0.61
Sub-Total (B)(2)	6757402	39.42	8916005	44.58	8916005	37.15
Total Public Shareholding (B)	8522902	49.72	11381505	56.91	11381505	47.42
TOTAL (A+B)	17141397	100	20000000	100.00	24000000	100.00



iv) Proposed time within which the allotment shall be complete

The Equity Shares shall be allotted within 15 days from the date of passing the Resolutions or within 15 days from the date of approval of any regulatory authority, whichever is later.

v) The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them

Proposed allottees	Pre issue holding		No. of equity shares proposed to be issued	Post issue holding before conversion of Warrants		Post issue holding after conversion of Warrants	
	No. of Equity Shares	% of total Capital		No. of Equity Shares	% of total Capital	No. of Equity Shares	% of total Capital
RMP Holding Pvt. Ltd.	30000	0.18	900000	930000	4.65	930000	3.88
ANM Fincap Pvt. Ltd.	-	-	500000	500000	2.50	500000	2.08
Nishit Fincap Pvt. Ltd.	-	-	400000	400000	2.00	400000	1.67
Shree Ganesh Projects Pvt. Ltd.	165000	0.96	200000	365000	1.83	365000	1.52
Somerset Emerging Opportunities Fund	902000	5.26	700000	1602000	8.01	1602000	6.68
Shiv Kumar Singhal (HUF)	-	-	158603	158603	0.79	158603	0.66

vi) Auditor's certificate

A certificate from Amod Agrawal & Associates, being the Statutory Auditors of the Company, certifying that the preferential issue is being made in accordance with the requirements contained in SEBI (ICDR) Regulations, 2009 shall be placed before the meeting of the shareholders.

vii) Lock in

The Equity Shares so allotted shall be subject to a lock-in for a period of one year from the date of allotment or upto such extended period as per provisions of SEBI regulations. The equity shares, if any, already held by the proposed allottees shall be under lock-in from the relevant date i.e 4th June, 2011 upto a period of six months from the date of allotment of the said Equity Shares.

viii) Consequential changes in the voting rights

There will be no consequential change in the Board of Directors or control over the Company. The Voting rights will change in accordance with the Shareholding Pattern.

Section 81 of the Companies Act, 1956 and the Listing Agreement executed by the Company with the Stock Exchanges provide, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the Shareholders decide otherwise. Since the Special Resolution proposed may result in issue of Equity Shares of the Company otherwise than to the members of the Company the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and the listing agreements.

Your Directors recommend passing of above Resolutions as a SPECIAL RESOLUTION.

None of the Directors of the Company is concerned or interested in the said Resolutions.

Item No(s). 7 & 8

Section 293 (1)(d) of the Companies Act, 1956 provides that the Board of Directors of a Public Company shall not, except with the consent of the Company in General Meeting, borrow monies which together with the monies already borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

Under the existing authorisation granted by the Company at the 15th Annual General Meeting held on 30.09.2005, the Board of Directors is authorised to borrow monies for the business purpose of the Company upto an aggregate amount of Rs.400 Crores. Taking into account, future requirements which would require the Company to resort to higher borrowings, the existing limit is proposed to be enhanced to Rs.750 Crores (excluding temporary loans obtained from the Company's bankers in the ordinary course of business).

The consent of the shareholders under Section 293 (1)(a) of the Companies Act, 1956 to create mortgage, charge, hypothecation, lien and other encumbrances, by the Company, as the Board may deem fit, on the assets of the Company, both present and future, in favour of the various lenders for securing the said facilities granted/ to be granted to the Company together with interest, further interest, liquidated damages, cost, charges, expenses and other monies for an aggregate nominal value not exceeding Rs. 750 crores (Rupees Seven Hundreds Fifty Crores only) is also sought.

Your Directors recommend passing of the Resolutions at Item No. 7 & 8 as ORDINARY RESOLUTIONS.

None of the Directors of the Company is concerned or interested in the said Resolutions

By Order of the Board of Directors
For FILATEX INDIA LIMITED

PLACE : NEW DELHI
DATE : 4TH JUNE, 2011

RAMAN KUMAR JHA
COMPANY SECRETARY

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

ADMISSION SLIP



FILATEX INDIA LIMITED

REGD. OFFICE: SURVEY NO. 274, DEMNI ROAD, DADRA
(U.T. OF DADRA & NAGAR HAVELI) 396 191

PLEASE COMPLETE THE ADMISSION SLIP AND HAND IT OVER AT THE ADMISSION COUNTER.

L .F. No./DP Id/Client Id :	Name of the Member/Proxy :
-----------------------------	----------------------------

I hereby record my presence at the Twenty First Annual General Meeting of the Company held on Monday, 4th July, 2011 at 9.30 A.M. at Survey No. 274, Demni Road, Dadra (U.T. of Dadra & Nagar Haveli) 396 191.

Signature of the Member/Proxy :

Note: Jointholder(s) intending to attend the meeting are requested to obtain additional Admission slip from the Registered Office of the Company on or before 2nd July, 2011 to avoid inconvenience.

----- (Please tear here) -----

PROXY FORM



FILATEX INDIA LIMITED

REGD. OFFICE: SURVEY NO. 274, DEMNI ROAD, DADRA
(U.T. OF DADRA & NAGAR HAVELI) 396 191

L .F. No./DP Id/Client Id

I/We _____ of _____ being a member/members of the above named Company, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Monday, 4th July, 2011 at 9.30 A.M. at Survey No. 274, Demni Road, Dadra (U.T. of Dadra & Nagar Haveli) 396 191 and at any adjournment thereof.

Signature _____

Date _____

Affix Re. 1/- Revenue Stamp

Note: Proxy Form must reach the Company's Registered Office not less than 48 hours before the scheduled time of the Meeting.

BOOK POST

If Undelivered, Please Return To :

FILATEX INDIA LIMITED

BHAGERIA HOUSE

43, Community Centre,

New Friends Colony,

New Delhi-110 025

Fax: +91-11-26849915

Email: secretarial@filatex.com

Website: www.filatex.com