

FILATEX
INDIA
LIMITED

TWENTY FIFTH
ANNUAL REPORT
2014-15



Board of Directors

Mr. Madhu Sudhan Bhageria

Vice Chairman & Managing Director

DIN: 00021934

Mr. Purrshottam Bhaggeria

Joint Managing Director

DIN: 00017938

Mr. Madhav Bhageria

Joint Managing Director

DIN: 00021953

Mr. Ashok Chauhan

Wholetime Director

DIN: 00253049

Mr. B.B. Tandon

Independent Director

DIN: 00740511

Mr. S.C. Parija

Independent Director

DIN: 00363608

Mr. S.P. Setia

Independent Director

DIN: 00255049

Mrs. Pallavi Joshi Bakhru

Independent Director

DIN: 01526618

Company Secretary

Mr. Raman Kumar Jha

Bankers

Union Bank of India

Punjab National Bank

Oriental Bank of Commerce

State Bank of India

Auditors

Amod Agrawal & Associates

D-58, East of Kailash

New Delhi - 110 025

Registered Office

S. No. 274, Demni Road,

Dadra - 396 193

(U.T. of Dadra & Nagar Haveli)

Ph: 260-2668343/8510

Fax: 0260-2668344

Email: fildadra@filatex.com

Website: filatex.com

CIN: L17119DN1990PLC000091

Corporate Office

BHAGERIA HOUSE

43, Community Centre,

New Friends Colony,

New Delhi - 110 025

Works

S. No. 274, Demni Road,

Dadra - 396 193

(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 Transfer Agent Limited

F-65, Okhla Industrial Area,

Phase-I, New Delhi- 110020

Tel : 011-41406148

Fax : 011-41709881

Email: admin@mcsdel.com

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Profile of Directors



Madhu Sudhan Bhageria

Vice Chairman & Managing Director (Promoter)

- Gold medallist Commerce graduate from the reputed Shri Ram College of Commerce, Delhi University
- Rich 26 years experience in Polyester Industry
- Director in various other Companies
- President of PTA Users Association
- Chairman of Company's CSR Committee and Member of Audit Committee and Nomination & Remuneration Committee



Purrshottam Bhaggeria

Joint Managing Director (Promoter)

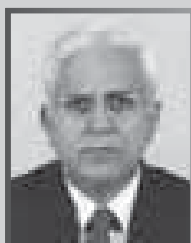
- M.B.A., S.C. Johnson Graduates School of Management, Cornell University, USA – 1985, Major: Finance, Graduated with Distinction
- Honorary Consul of the Republic of Moldova in the Republic of India since 2011
- Treasurer, Hony. Consular Corps Diplomatique (HCCD) – India since November 2012 (An All India Body of all the Honorary Consuls in India)
- Member of PHD Chamber of Commerce and FICCI
- Member of many prestigious clubs in Delhi & NCR:- Delhi Golf Club, Friends Club, Noida Golf Club, Siri Fort Sports Complex
- Director in various other Companies and member of Company's Stakeholders Relationship Committee and CSR Committee.



Madhav Bhageria

Joint Managing Director (Promoter)

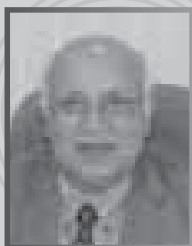
- Commerce graduate from Hindu College, Delhi University
- Looks after plant operations and marketing functions of the Company based at Surat & Mumbai.
- Promoter Director of Tapti Valley Education Foundation which is an International School in Surat.
- Directors in various other Companies and Member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



Ashok Chauhan

Wholetime Director

- B.E. (Mech) and Master Degree in Business Administration.
- Awarded Gold Medal for the best student of the College of 1968-1973 batch & received Best Sportsman Award in college
- Vast experience in Marketing, Project Management, General and overall Operation, Corporate Planning, Risk Evaluation & Business Investment Strategies
- 43 years of experience in diverse industry segments like Pulp & Paper, Chemicals, Engineering, Consultancy, Polyester Film, Hydro Power Plants, Solar/Renewable Energy, Real Estate Development & Constructions etc.



S. P. Setia

(Independent Director)

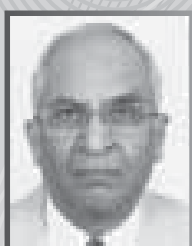
- Textile Technologist year of graduation 1962.
- Rich experience in textile industry and providing consultancy to textile industry since 1982
- Chairman of Company's Stakeholders Relationship Committee
- Member of Company's Audit Committee and Nomination & Remuneration Committee
- Directors in various other Companies



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 Nomination & Remuneration Committee
- Member of Company's Stakeholders Relationship Committee
- Independent Director of Board of ARSS Infra Projects Ltd. and Chairman of Audit Committee and Nomination & Remuneration Committee thereof



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
- Secretary to the Govt. Of Himachal Pradesh in various key Departments like Industry, Power, Mining etc. and as Chairman of the Himachal Pradesh Electricity Board
- Served as Member of the Securities & Exchange Board of India as Special Invitee.
- Independent Director in various other renowned Companies
- Member of Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee



Pallavi Joshi Bakhru

(Independent Director)

- Has more than 25 years of post-qualification experience in the field of taxation. Her area of expertise includes inbound and outbound structuring advisory (including regulatory compliance) for both Indian and Overseas Investors.
- She is a fellow member of the Institute of Chartered Accountants of India
- She is a member of The International Fiscal Association – (India Branch)
- She is a Charter Member with TIE – Delhi Chapter.
- Member of Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee

Filatex India Limited





NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of FILATEX INDIA LIMITED will be held on Wednesday, 30th September, 2015 at 9.30 AM at the Registered Office of the Company at SURVEY NO.274, DEMNI ROAD, DADRA, (U.T. OF DADRA & NAGAR HAVELI)- 396 193 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet of the Company as at March 31, 2015 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Madhav Bhageria (DIN:00021953), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s Amod Agrawal & Associates, Chartered Accountants (Firm Registration No.005780N), as approved by the Members at the 24th Annual General Meeting as Auditors of the Company to hold office until the conclusion of the Twenty Seventh AGM of the Company and to fix their remuneration for the financial year ended 31st March, 2016.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following Resolution as an **ORDINARY RESOLUTION:-**
“RESOLVED THAT Shri B.B. Tandon (DIN: 00740511), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th February, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 143 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV to the Act, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who has also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years from the date of his appointment”.
5. To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:-**
RESOLVED FURTHER THAT Shri Ashok Chauhan (DIN: 00253049), who was reappointed as Wholtime Director of the Company by the Board of Directors with effect from 12th February, 2015, pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, consent of the Members of the Company be and is hereby accorded to the reappointment and payment of remuneration to Shri Ashok Chauhan (DIN: 00253049) as Wholtime Director of the Company for a further period of two years w.e.f. 12.02.2015 on the following terms and conditions:
 1. Remuneration not exceeding Rs. 36,00,000/- (Rupees Thirty Six Lacs) per annum on cost to company basis as may be determined between the Vice Chairman & Managing Director of the Company and Shri Ashok Chauhan.
 2. Reimbursement of actual travelling and out of pocket expenses incurred in the course of the company's business and mobile phone as per the rules of the company.
 3. Entitlement to privilege leave with full pay and casual leave benefits as per the rules of the company.
 4. No sitting fee shall be payable for attending the meeting of the Board of Directors and Committees thereof.
 5. Notice Period: Three months.RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded that in the event of loss or inadequacy of profits in any financial year during the tenure, Shri Ashok Chauhan shall be entitled to receive remuneration including perquisites/benefits mentioned above as minimum remuneration in accordance with and subject to the applicable provisions of schedule V of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.
RESOLVED FURTHER THAT Shri Madhu Sudhan Bhageria, Vice Chairman & Managing Director of the Company and Mr. Raman Kumar Jha, Company Secretary be and are hereby severally authorized to do all such acts, deeds, and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:-**
“RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013, the payment of Remuneration of Rs. 50,000 plus service tax and out of pocket expense to M/s Bahadur Murao & Co., a firm of Cost Auditors, (Firm Registration No. 000008), who were appointed by the Board of Directors in their Meeting held on 04th May 2015, for conducting the audit of cost records of the Company for the financial year ending 31st March 2016, be and is hereby approved and ratified”.



7. Approval of the Filatex Employee Stock Options Scheme 2015 and Issue of securities

To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:-**

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, SEBI (Share Based Employee Benefits) Regulations, 2014 (as amended upto date) and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Extant Guidelines”) and subject to all necessary consents, permissions and approvals and/or sanctions from all appropriate authorities, if required, and subject to such conditions and modifications as may be prescribed or imposed by appropriate authorities and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee), consent of the Members of Company be and is hereby accorded to the Board to introduce and implement proposed “Filatex Employee Stock Options Scheme 2015” (hereinafter referred to as “Filatex ESOS 2015”) and to grant, offer and issue to the present and future eligible employees of the Company, who are in permanent employment of the Company including Directors of the Company whether Wholtime Directors or not except Independent Directors and Promoter Directors or a person who belongs to the promoter group and Directors who directly or indirectly holds more than 10% of the issued capital, and whether working in India or outside India as selected on the basis of criteria prescribed by the Board in accordance with the SEBI Regulations (collectively referred as the “Eligible Employees”), options exercisable by employees to subscribe to such number of equity shares of the Company not exceeding 16,00,000 (Sixteen Lakhs Only) Equity Shares of Rs.10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the Scheme, the provisions of the law or regulations issued by the relevant authority, as may be prevailing at that time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide upon and bring into effect the Filatex ESOS 2015 on such terms and conditions as contained in the relevant explanatory statement in the notice and to suspend, withdraw or revive the Filatex ESOS 2015.

RESOLVED FURTHER THAT such Equity Shares, upon allotment, shall rank pari-pasu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board may, at its discretion, or in order to comply with any applicable rules, regulations or guidelines, add, amend or put restrictions or any other conditions as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company”.

8. Approval of extending benefits of Filatex Employee Stock Options Scheme 2015 to the employees of holding/subsidiary/associate company(ies)

To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:-**

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, SEBI (Share Based Employee Benefits) Regulations, 2014 (as amended upto date) and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Extant Guidelines”) and subject to all necessary consents, permissions and approvals and/or sanctions from all appropriate authorities, if required, and subject to such conditions and modifications as may be prescribed or imposed by appropriate authorities and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee), consent of the Members of Company be and is hereby accorded to the Board to extend the benefits of Filatex ESOS 2015 proposed in Resolution Number 7 in this notice to the present and future employees (whether Wholtime Directors or not) of its holding/subsidiary/associate company(ies) unless they are prohibited from participating in the Filatex ESOS 2015 under any law or regulations for the time being in force, on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide upon and bring into effect the Filatex ESOS 2015 on such terms and conditions as contained in the relevant explanatory statement in the notice and to suspend, withdraw or revive the Filatex ESOS 2015.

RESOLVED FURTHER THAT such Equity Shares, upon allotment, shall rank pari-pasu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board may, at its discretion, or in order to comply with any applicable rules, regulations or guidelines, add, amend or put restrictions or any other conditions as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may,



in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company”.

By Order of the Board of Directors
For FILATEX INDIA LIMITED

PLACE : NEW DELHI
DATE : 13TH AUGUST, 2015

RAMAN KUMAR JHA
COMPANY SECRETARY

REGISTERED OFFICE:

Survey No.274, Demni Road, Dadra-396 193
(U.T. of Dadra & Nagar Haveli)
Phone no. 260-2668343/8510
Fax No.260-2668344
Email: fildadra@filatex.com
Website: filatex.com
CIN: L17119DN1990PLC000091

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. The blank proxy form is enclosed. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business under item No. 4 to 8 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 19th September, 2015 to 30th September, 2015 (both days inclusive) for ensuing Annual General Meeting.
4. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report at the Annual General Meeting.
6. 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.
7. Members 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.
8. Members who have not yet encashed dividend for the financial year 2009-10, 2010-11 and 2011-12 are requested to write to the Company Secretary of the Company.
9. All Documents referred to in the Notice and Explanatory Statement 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.
10. As a part of Green initiative in the Corporate Governance, the Ministry of Corporate Affairs (MCA) vide its circulars dated 21st and 29th April, 2011, permitted service of documents through electronic mode in place of physical mode to all the shareholders. Your Company is 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 to enable your Company to serve all future communication through email.** Keeping in view of the aforesaid initiative of MCA, your Company shall send the Annual Report, to its Members in electronics form, to the email address provided by them.
11. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended from time to time and listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL):

The facility for voting through polling paper shall be made available at the AGM to the members attending the meeting, who have not cast their vote by remote e-voting, to enable them to exercise their right at the meeting.



The members, who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 27th September 2015 (9:00 am) and ends on 29th September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 23rd September, 2015 may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- I. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
- Open email and open PDF file viz; "FIL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - Click on Shareholder - Login
 - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - Select "EVEN" of Filatex India Limited.
 - Now you are ready for remote e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - Once you have voted on the resolution, you will not be allowed to modify your vote.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to primekoss@gmail.com/shares@filatex.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
-------------------------------------	----------------	---------------------
 - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2015 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsdel.com.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Mr. K.O.Siddiqui, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM, but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to stock exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Shri B.B.Tandon was co-opted as Additional Director of the Company on 13.02.2015 in terms of Section 161(1) of the Companies Act, 2013 and Article 143 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting.

Based on the declaration received from Shri B.B.Tandon in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Shri B.B.Tandon, fulfills the criteria of being appointed as Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made thereunder and is also independent of the management.

Notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company signifying his intention to propose the candidature of Shri B.B.Tandon to the office of Independent Director of the Company.

The Details(s) of the aforesaid appointee have been set out in the Report on Corporate Governance annexed with the Directors' Report.

The Board of Directors consider that the continuance of Shri B.B.Tandon on the Board will be beneficial to the Company and recommend passing of the Ordinary Resolution at Item No. 4 of his appointment for your approval.

Except Shri B.B.Tandon, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in this resolution.

Item No. 5

The Board, on the recommendation of Nomination & Remuneration Committee, in their meeting held on 13th February, 2015 reappointed Shri Ashok Chauhan as Wholetime Director on the terms and conditions and remuneration as stated in the resolutions for a further period of two years w.e.f. 12.02.2015.

In the event of loss or inadequacy of profits in any financial year, he shall be eligible to receive the said remuneration alongwith perquisites/benefits as minimum remuneration in accordance with Schedule V of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.

The details(s) of the aforesaid appointee have been set out in the Report on Corporate Governance annexed with the Directors' Report.

Your Directors recommend passing of the Resolutions at Item No. 5 as SPECIAL RESOLUTIONS.

Except Shri Ashok Chauhan, none of the Directors of the Company Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested in this resolution.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2016. In accordance with the provisions of Section 148 of the Companies Act, 2013, and rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2016.

Your Directors recommend passing of the Resolutions at Item No. 6 as an ORDINARY RESOLUTION.

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested in this resolution.

Item No. 7 & 8

The human resource plays a vital role in growth and success of a Company. As a step towards substituting pure financial benefits with ownership and to enable employees to participate in the enhancement of shareholders value, the Company proposes to provide stock options to the employees. Stock option shall serve as a tool of aligning interests of employees with those of shareholders and the Company and enable the Company to attain growth in an environment that increasingly demands global competitiveness. This will also help Company in attracting, motivating and retaining the best talent.



Filatex ESOS 2015 is drawn in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations'), issued by SEBI and other applicable laws. The Scheme has been in-principle recommended by the Nomination and Remuneration Committee at its meeting held on August 13, 2015 and approved by the Board of Directors at their Meeting held on August 13, 2015.

The Scheme will be operated and administered under the superintendence of the Nomination and Remuneration Committee constituted by the Board of Directors.

The salient features and other details of the Scheme as per the Regulation 6(2) of SEBI (Share Based Employee Benefits) Regulations, 2014 are as under:

a) Brief description of the Scheme

The Scheme shall be called as the 'Filatex Employee Stock Options Scheme- 2015' and shall extend its benefits to the present and/or future permanent employees of the Company in accordance with the applicable laws. The scheme involves the direct fresh allotment of Equity Shares to the Employees pursuant to exercise of options by them.

The benefit of the Scheme shall also be extended to the employees of the Holding company / Subsidiary Company(ies)/ Associate Company(ies) if any.

b) Total number of Options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches not exceeding 16,00,000 equity shares of the Company of the face value of Rs.10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time). Each such Option confers a right upon the Employee to apply for 1 (one) equity share in accordance with the terms and conditions of such issue.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

All permanent employees (present or future) of the Company including Holding Company / Subsidiary Company(ies) / Associate Company(ies) if any, working in India or out of India including Directors of the Company whether Wholtime Directors or not except Independent Directors and Promoter Directors or a person who belongs to the promoter group and director who directly or indirectly holds more than 10% of the issued capital as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated by the employee in any other manner.

d) Requirement of Vesting and period of Vesting

The continuation of employee in the services of the Company shall be the primary requirement of the vesting. The Nomination and Remuneration Committee shall formulate the other requirements of vesting which may inter-alia include efficiency or productivity criteria. The minimum vesting period of an option under the Scheme shall not be less than a period of one year from the date of grant(s) of options. The option may vest in one or more tranche(s) subject to the terms and conditions as may be stipulated by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall have absolute discretion in fixing the vesting period and vesting schedule for each tranche of vesting.

e) Maximum period within which the options shall be vested

All the options will get vested within maximum period of 5 years from the date of grant unless otherwise decided by the Nomination and Remuneration Committee.

f) Exercise Price/ Pricing formula:

The exercise price shall be decided by the Nomination and Remuneration Committee at the time of granting the each option subject to conformity of accounting policies specified in the regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014, the base of which will be the market price of the share on the stock exchange where the shares of the company are listed, immediately prior to the date of grant. The Nomination and Remuneration committee while finalizing the Exercise price, may at its discretion consider the trend in the market price of the company at the stock exchanges.

g) Exercise period and process of Exercise:

The exercise period may commence from the date of vesting and the granted option will be exercised within a period of one year from the date of respective vesting.

The options granted under the Scheme would be exercisable by the employee by submitting Exercise Form, to the authorized representative of the Company during the Exercise Period. After the expiry of exercise period, the options granted shall not be exercisable and shall lapse. The lapsed options shall be available for fresh grants to other eligible employees.



h) Appraisal process for determining the eligibility of the employees to the Scheme

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, CTC, expected potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee in its sole discretion.

i) The Maximum number of Options to be granted per employee and in aggregate

The maximum number of options granted to any one employee in a year will not equal or exceed 1% of the issued equity share capital of the Company (excluding outstanding warrants and conversions) at the time of granting the Option. However approval of the shareholders by way of separate resolution would be sought in case the Company proposes to grant options to the identified employee(s) exceeding one percent of the Issued Capital of the Company.

The aggregate of all such grants shall not exceed 16,00,000 Equity shares.

j) The Maximum quantum of benefits to be provided per employee under the scheme

The maximum quantum of benefit that will be provided to every eligible employee under the scheme will be the difference between the Exercise Price paid by the employee to the company and the value of company's share on the stock exchange on the date of exercise of options.

k) Implementation and administration of the scheme

The scheme shall be implemented and administered directly by the Company through its Nomination and Remuneration Committee constituted by the Board.

l) Whether the scheme involves new issue of shares by the company or secondary acquisition by the Trust or both

The Scheme involves the fresh issuance of Equity shares by the company to its Employees.

m) The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.;

Not Applicable

n) The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme.

Not Applicable

o) The method which the Company shall use to value its Options.

The Company shall use intrinsic value to value its options.

As the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share (EPS) of the Company shall also be disclosed in the Directors Report.

In terms of Section 62 of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, the approval of the Shareholders is sought by way of Special Resolutions for Filatex Employee Stock Options Scheme 2015 and issuance of shares under the said Scheme. Accordingly, your Directors recommend passing of the Resolutions at Item No(s). 7 & 8 as SPECIAL RESOLUTIONS.

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested in these resolutions except to the extent of Equity Shares that may be offered to them under Filatex ESOS 2015.

By Order of the Board of Directors
For FILATEX INDIA LIMITED

PLACE : NEW DELHI
DATE : 13TH AUGUST, 2015

RAMAN KUMAR JHA
COMPANY SECRETARY

REGISTERED OFFICE:

Survey No.274, Demni Road, Dadra-396 193
(U.T. of Dadra & Nagar Haveli)
Phone no. 260-2668343/8510
Fax No.260-2668344
Email: fildadra@filatex.com
Website: filatex.com
CIN: L17119DN1990PLC000091



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report alongwith the Audited Accounts for the year ended March 31, 2015.

FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	2014-2015	2013-2014
Total revenue	157276	176940
Profit before Finance Cost,		
Depreciation and Tax	8857	5446
Finance Cost	5360	4003
Depreciation & amortization expense	2057	2593
Profit/(Loss) before tax	1440	(1150)
Tax expense		
– Current	301	–
– MAT credit entitlement	(301)	–
– Taxation for earlier years	2	34
– Deferred	478	(375)
Net Profit/(Loss) after tax	960	(809)
Balance brought forward from previous year	4310	5120
Profit available for appropriation	5270	4311
Proposed Dividend on Equity Shares	–	–
Dividend Distribution Tax	–	–
Balance carried forward to Balance Sheet	5270	4311

DIVIDEND

In view of the challenging times being faced by the Man Made Fibres Industry and to conserve the resources, the Board has not recommended any dividend on the equity shares for the year 2014-15.

OPERATIONS

During the year under review, the Company achieved turnover of Rs. 157276 lacs as compared to Rs. 176940 lacs in the previous year resulting in decrease of 11%. Decrease in turnover is due to decline in finished goods prices consequent upon decrease in price of raw material and deep fall in crude prices. During the year under review, the Company has earned net profit of Rs. 960 lacs as compared to net loss of Rs. 809 lacs in the previous year.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

In respect of fire at Company's POY manufacturing unit at Dadra in November, 2012, the claim under fire policy has been received during FY 2013-14 and claim under loss of profit policy amounting to Rs. 536.59 lacs is still under consideration of Insurer.

SHARE CAPITAL

During the financial year 2013-14, the Company had allotted 80,00,000 convertible warrants on preferential basis to the promoters and others to be converted at the option of warrant holders in one or more tranches, within 18 months from the date of allotment viz September 20, 2013 of warrants into equivalent number of fully paid equity shares of the company of the face value of Rs. 10/- per share at an exercise price of Rs. 25/- per share (including premium of Rs. 15/- per share).

The Company, during the financial year 2013-14, had converted 42,40,000 warrants into equivalent number of equity share and balance 37,60,000 warrants were converted during the year under review. Consequently the paid up share capital of the Company increased to Rs. 32.00 crore from Rs. 28.24 crore.

FIXED DEPOSITS

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

**DIRECTORS**

Mr. Madhav Bhageria (DIN:00021953), Director, retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

During the year under review, Shri B.B.Tandon (DIN: 00740511) who, resigned from the Board of Directors w.e.f. 24th September, 2014, has again joined the Board of Directors with effect from 13th February, 2015 as an Additional Independent Director subject to approval of Members at the ensuing Annual General Meeting.

As per provisions of the Companies Act, 2013, Independent Directors may be appointed for a term upto five years and shall not be liable to retire by rotation. Accordingly the Board recommends the appointment of Shri B.B.Tandon as Independent Director for a period of five years at the ensuing Annual General Meeting.

The Board has also reappointed Mr. Ashok Chauhan (DIN: 00253409) as Whole-time Director in their meeting held on 13th February, 2015 for a further period of two year w.e.f. 12.02.2015 at a consolidated Salary of Rs. 3.00 lacs per month subject to the approval of Members in the ensuing annual general meeting.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually and the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination & Remuneration Policy is annexed herewith as **Annexure "A"**.

CORPORATE SOCIAL RESPONSIBILITY

As required under the Companies Act, 2013 ("Act"), the Corporate Social Responsibility ("CSR") Committee was constituted and it consists of Shri Madhu Sudhan Bhageria as the Chairman, Shri Purrshottam Bhaggeria, Shri Madhav Bhageria, Shri B.B.Tandon and Mrs. Pallavi Joshi Bakhru, as members.

During the year under review, the Company introduced a CSR Policy emphasising its focus on community development projects, prioritizing local needs in the area of education, health, livelihood and environment, for ensuring long term sustainable benefits. The said policy is available on the Company's website www.filatex.com.

The Board, on the recommendation of CSR Committee, approved Rs. 7.84 lacs being two percent of average net profits of the Company calculated in accordance with the provision of Section 198 of the Companies Act, 2013 during proceeding three financial years to be spent on CSR activities.

During the year under review, the Company has incurred an expenditure of Rs. 4.68 lacs on Education, toilets and medical facilities, which is less than two percent of average net profits of the Company during proceeding three financial years. The Company committed to install more public toilets in association of local administration at Dadra, which could not be made ready by 31st March, 2015. Therefore, the Company was unable to spend the balance of Rs. 3.16 lacs during the year.

Details of the expenditure incurred towards CSR for the financial year 2014-15 is annexed herewith as **Annexure "B"**.

MEETINGS OF THE BOARD

Four (4) meetings of the Board of Directors were held during the year. The details of which are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- ii. they have selected such accounting policies and applied them consistently and made judgments 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 profits of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- iv. they have prepared the annual accounts on a going concern basis.
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

The 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 herewith as **Annexure "C"**.

AUDITORS

M/s Amod Agrawal & Associates, Chartered Accountants (Firm Registration No.005780N), were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting of the Company held on 30th September, 2014 to hold office until the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Seventh AGM of the Company in accordance with the provisions of the Companies Act, 2013. However, this appointment was subject to ratification by the members at every Annual General Meeting held after appointment during their tenure of office.

Certificate from the auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and therefore, their ratification for appointment as Statutory Auditors for the year 2015-16 is being sought from the Members of the Company at the ensuing Annual General Meeting.

AUDITORS' REPORT

The company has received letter dated 26th December, 2014 from National Stock Exchange (NSE) advising the company to restate its Financial Statements for the financial year 2012-13 subsequent to the auditors qualification relating to treatment of foreign exchange difference during FY 2012-13. The detail of which is given in the Note 32 of the Balance Sheet.

The Company has taken up the matter with NSE/SEBI to explain and substantiate that the accounting treatment made by the Company is justified. Considering the Company's request, the Securities and Exchange Board of India (SEBI) has informed the Company for providing an opportunity of being heard and to make submissions/representations before Qualified Audit Review Committee (QARC). Accordingly, the Company has submitted the written Statement and Representation before Qualified Audit Review Committee (QARC). As the matter is under consideration of SEBI/QARC, any effect, any with respect to restatement of financial statement for FY 2012-13 will be accounted for on receipt of final decision in the matter.

COST AUDITORS

Your Company has appointed M/s Bahadur Murao & Co., (Firm Registration No. 000008) a firm of Cost Auditors, for conducting the audit of cost records for the financial year 2014-15. Subject to the approval of the Central Government and Members at the ensuing Annual General Meeting, M/s Bahadur Murao & Co. has been appointed as the Cost Auditor for the financial year 2015-16 at a remuneration of Rs. 50,000 plus service tax and out of pocket expense.

SECRETARIAL AUDITOR

The Board has appointed M/s Siddiqui & Associate, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as **Annexure "D"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

Pursuant to 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014), Form No. AOC-2 is annexed herewith as **Annexure "E"**.

The Policy on related party transactions approved by the Board may be accessed on the Company's website www.filatex.com.

Your Directors draw attention of the members to Note no. 38 to the financial statement which sets out related party disclosure.

**STOCK EXCHANGE LISTING**

Presently, the Equity Shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange. The Annual Listing Fee for the year 2015-2016 has been paid to the Stock Exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, is annexed herewith as **Annexure “F”**.

PARTICULARS OF EMPLOYEES

During the year, no employees of the Company received remuneration more than Rs. 60.00 lacs per annum or Rs. 5.00 lacs per month if employed for part of the year. Accordingly, no information pursuant to the provisions of Section 197(12) of the Companies Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **Annexure “G”**.

VIGIL MECHANISM

In terms of the Section 177 of the Companies Act, 2013 and Listing Agreement, the Company has formulated the Whistle Blower Policy/Vigil Mechanism. The Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi/ Gujarati and the same should be addressed to the Vigilance Officer of the Company or in exceptional cases, to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website www.filatex.com. During the year under review, no complaint was received from any Whistle Blower.

RISK MANAGEMENT POLICY

Pursuant to section 134(3)(n) of the Companies Act, 2013 & Clause 49 of the Listing Agreement, the Company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures which is also given in the Corporate Governance Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note 14, 15 & 20 to the financial statement).

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place and practiced an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment. All employees are covered under this policy. During the year under review, the Company has not received any complaint under the said Policy.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure “H”**.

ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its 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 smooth operations that your Company has achieved during the year. Your Directors also place on record their sincere appreciation for the confidence reposed by the Members in the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 13th August, 2015

MADHU SUDHAN BHAGERIA
Vice Chairman and Managing Director
(DIN: 00021934)

PURRSHOTTAM BHAGGERIA
Joint Managing Director
(DIN: 00017938)



**FILATEX INDIA LIMITED
NOMINATION AND REMUNERATION POLICY**

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

In the context of the aforesaid criteria, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 13.08.2015.

Composition of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall comprise of the members as may be decided by the Board of Directors from time to time.

Definitions

- a) Board means Board of Directors of the Company.
- b) Directors mean Directors of the Company.
- c) Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- d) Company means Filatex India Limited.
- e) Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- f) Key Managerial Personnel (KMP) means-
 - (i) Executive Chairman and / or Managing Director/ Manager
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- g) Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Chief General Manager or above post of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to :

- All Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

PART – A

BOARD DIVERSITY

The Board shall have an optimum composition of Directors by comprising of experts from different fields viz. finance, law, management, sales, marketing, engineering, research, technical operations or any other areas related to the Company's business.

The Board shall ensure that there is appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively.

PART – B

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall consider the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, relating to the appointment/reappointment & remuneration for the directors, key managerial personnel and other employees which is mentioned below.



PART – C

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- **Term / Tenure:**

1. Managing Director/Whole-time Director/ Manager:

The Company shall appoint or re-appoint any person as its Managing Director, Whole time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. Further, his appointment will be as per the Companies Act, 2013 and various Clause of the Listing Agreement.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – D

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, Manager, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director/ Managing Director/ Manager/ Chairman shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director/ Managing Director/ Chairman
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.



2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Directors/Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Directors/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• **Remuneration to Non- Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission may be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as may be fixed from time to time and prescribed by the Central Government from time to time.

3. Commission:

Subject to the provisions of the section 197 of the Companies Act, 2013, any director who is in receipt of any commission from the company and who is a managing or whole-time director of the company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the company in the Board's report.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

PART – E

CRITERIA FOR PERFORMANCE EVALUATION OF DIRECTORS:

- Performance evaluation of each Director shall be carried out based on the criteria as laid down by the Nomination and Remuneration Committee. Criteria for performance evaluation includes aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency.
- Further, performance evaluation of the Managing Director/Joint Managing Directors/Wholetime Directors shall be based on the implementation of various plans & policies in the Company, monitoring and implementation of the projects including the smooth day to day affairs and operations of the Company and finally performance and business achievements of the Company.

AMENDMENT

- Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of the Companies Act, 2013, including rules thereof and / or the provisions of the Listing Agreement.



Details of Expenditure incurred towards Corporate Social Responsibility (CSR) are as under:

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the state /district (Name of the District/s, State/s where project/programme was undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads:	Cumulative spend upto to the reporting period.	Amount spent: Direct/through implementing agenc
1.	Blood Donation Camp	Medical	Dadra (UT of D&NH)	10000	9607	9607	Direct
2.	Swachta Abhiyan	Swach Bharat Abhiyan	Dadra (UT of D&NH)	10000	5000	14607	DNHI Association
3.	Toilets in Tribal Area	Swach Bharat Abhiyan	Navi Nagari, Demni (UT of D&NH)	565000	212700	227307	Direct
4.	To give aid to Gyan Jyoti Vidhyalay, Veer Sahid Bhagat Singh Colony, Bharuch	Education	Local, Bharuch District	45000	41798	269105	Direct
5.	To give aid to Gandhi Vidhya Mandir- Atali, Ta- Vagra, Bharuch	Education	Local, Atali Village, GIDC Dahej	60000	57798	326903	Direct
6.	To give aid to Primary School - Atali, Ta - Vagra, Bharuch	Education	Local, Atali Village, GIDC Dahej	45000	49798	376701	Direct
7.	To give aid to Primary School - Jolva, Ta - Vagra, Bharuch	Education	Local, Atali Village, GIDC Dahej	15000	10500	387201	Direct
8.	Health & Medical Camp to be organized in Village Suva on 24th August 2014	Health	Local, Jolwa Village, GIDC Dahej	20000	24170	411371	Direct
9.	Health & Medical Camp to be organized in Village Jolwa on 16th November 2014	Health	Local, Jolwa Village, GIDC Dahej	15000	16881	428252	Direct
10.	To sponsor a teacher's salary for Jolwa Primery School	Education	Local, Jolwa Village, GIDC Dahej	15000	15000	443252	Direct
11.	To sponsor Uniform to students of Residential Ashram Atali	Education	Local, Atali Village, GIDC Dahej	30000	25000	468252	Direct
			TOTAL	830000	468252		

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the policy of the Company.

Madhu Sudhan Bhageria

Chairman of CSR Committee &
Vice Chairman & Managing Director

Pallavi Joshi Bakhru

Member of CSR Committee &
Independent Director



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 also 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 consists of total 8 members comprising of 4 non-executive Directors out of which all four are Independent Directors and one is women director representing an optimum mix of professionalism, knowledge and experience in their respective fields.

i) Structure of Board of Directors

S. No.	Name	Category of Director
1.	Shri Madhu Sudhan Bhageria Vice Chairman & Managing Director	Executive Director
2.	Shri Purshottam Bhaggeria Joint Managing Director	Executive Director
3.	Shri Madhav Bhageria Joint Managing Director	Executive Director
4.	Shri B. B. Tandon* Director	Non-Executive & Independent Director
5.	Shri S.C. Parija Director	Non-Executive & Independent Director
6.	Shri S.P. Setia Director	Non-Executive & Independent Director
7.	Smt. Pallavi Joshi Bakhru Director	Non-Executive & Independent Director
8.	Shri Ashok Chauhan** Wholtime Director	Executive Director

*Resigned on 24.09.2014 and appointed on 13.02.2015

** Re-appointed on 13.02.2015

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

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. The Wholtime Directors of the Company are not the Independent Directors of any listed Company. The Independent Directors of the Company have been appointed for a period of five years from the date of their appointment in accordance with the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time. The Company issues a formal letter of appointment to the Independent Directors at the time of their appointment and the same are uploaded on the Company's website.

ii) Board Meetings

During the year 2014-15, the Board met four times on 30th May, 2014, 4th August, 2014, 31st October, 2014 and 13th February, 2015.



Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (II) (D) (2) of the Listing Agreement) across all the Companies in which he/she is a Director. 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 Director-ships*	Committee Member-ships*	Committee Chairman-ships*	Attendance in AGM
1.	Shri Madhu Sudhan Bhageria	4	2	-	-	NO
2.	Shri Purrshottam Bhaggeria	4	2	-	-	NO
3.	Shri Madhav Bhageria	2	2	-	-	YES
4.	Shri B. B. Tandon**	2	8	6	2	NA
5.	Shri S.P. Setia	2	5	-	2	NO
6.	Shri S.C. Parija	4	1	-	2	YES
7.	Smt. Pallavi Joshi Bakhru	2	1	-	-	NO
8.	Shri Ashok Chauhan***	4	-	-	-	NO

** As on 31.03.2015 Represents Directorship & Membership/Chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Companies.

** Resigned on 24.09.2014 and appointed on 13.02.2015

*** Re-appointed on 13.02.2015

iii) Board Procedure:

The members of the Board are provided with the requisite information mentioned in the Listing Agreement before the Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances. The Vice Chairman & Managing Director alongwith two Joint Managing Directors and Wholtime Director 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.

iv) Meeting of Independent Directors:

The meeting of Independent Directors was held on 13th February, 2015 to discuss, inter-alia :

- (a) the performance of Non Independent Directors and the Board as a whole;
- (b) the performance of the Vice Chairman & Managing Director of the Company, taking into account the views of Executive Director and Non Executive Directors;
- (c) the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the meeting. The criteria for performance evaluation of Directors is given under the heading Nomination and Remuneration Committee mentioned in item 4 below.

v) Familiarisation programme for Independent Directors:

Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

The Independent Directors have the opportunity to visit the plants of the Company, to enable them to understand of the manufacturing processes and operations and the Industry in which it operates.

All Directors of the Company are updated as and when required, of their role, responsibilities and liabilities. The Board of Directors has complete access to the information within the Company. Presentations are made regularly before the meetings of the Board of Directors and the Audit Committee, where Directors



have an opportunity to interact with senior management personnel. Presentations cover, inter-alia, quarterly and annual results, business strategies, budgets, review of internal audit, risk management and such other areas as may arise from time to time.

Independent Directors have the freedom to interact with the management of the Company. Interactions happen during the meetings of the Board or Committees, when senior management personnel of the Company make presentations to the Board.

In March 2015, a training programme was conducted for all Directors and Key Managerial Persons of the Company and senior management personnel. The training programme covered, inter-alia, aspects such as legal compliance management, corporate governance and role of independent directors, liability of Directors under Companies Act, 2013, Listing Agreement and SEBI regulation etc.

3. Audit Committee

In terms of Section 177 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, upon the resignation of Shri B.B.Tandon, the Board in its meetings held on 31st October, 2014 had reconstituted the Audit Committee comprising of three Independent Directors namely, Shri S.P. Setia, Shri S.C. Parija and Smt. Pallavi Joshi Bakhru. Further, upon the appointment of Shri B.B.Tandon, the Board in its meetings held on 13th February, 2015 had reconstituted the Audit Committee comprising of Four Independent Directors and One Non Independent Director namely, Shri S.P. Setia, Shri S.C. Parija, Smt. Pallavi Joshi Bakhru and Shri B.B.Tandon and Shri Madhu Sudhan Bhageria . Shri S.C. Parija is Chairman of the Committee. The terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and guidelines given in the Code of Corporate Governance, which inter-alia include the overview of Company's Financial Reporting Process, review of Quarterly, Half Yearly and Annual Financial Statements, Management Discussion & Analysis, Adequacy of Internal Control Systems, Major Accounting Policies & Practices, Compliances with Accounting Standards, Related Party Transactions, appointment of statutory auditors, internal auditors and Management Discussion and Analysis 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 areas of the 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 for the management to develop and maintain a transparent and effective Internal Control system.

During the year 2014-15 the Committee met four times. The attendance at the meetings is as under: -

Date of Meeting	No. of Members present
30-05-2014	3
04-08-2014	2
31-10-2014	2
13-02-2015	3

Shri Madhu Sudhan Bhageria (Vice Chairman & Managing Director), Shri Purrshottam Bhaggeria and Shri Madhav Bhageria (Joint Managing Directors), Shri Ashok Chauhan (Whole Time Director), Shri R P Gupta (Chief Financial Officer), Internal Auditors and Statutory Auditors are invited to attend the Audit Committee Meetings.

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

4. Nomination and Remuneration Committee

In compliance of the applicable provisions of the Companies Act, 2013, the Board in its meeting held on 30th May, 2014 renamed the Remuneration Committee as "Nomination and Remuneration Committee".

Pursuant to Section 178 of the Companies Act, 2013 and the Listing Agreement, upon the resignation of Shri B.B.Tandon, the Board in its meetings held on 31st October, 2014 has reconstituted the Nomination & Remuneration Committee comprising of three Directors namely, Shri S.P. Setia, Shri S.C. Parija and Smt. Pallavi Joshi Bakhru. Further, upon the appointment of Shri B.B.Tandon, the Board in its meetings held on 13th February, 2015 has reconstituted the Nomination & Remuneration Committee comprising of five Directors namely, Shri S.P. Setia, Shri S.C. Parija and Smt. Pallavi Joshi Bakhru, Shri B.B. Tandon and Shri Madhu Sudhan Bhageria. Shri S.C. Parija is the Chairman of the Committee.

The Committee reviews and recommends the remuneration payable to Managerial persons on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record etc. The Company Secretary of the Company acts as the Secretary of the



Committee. During the financial year ended 31st March, 2015, there was one meeting of the Committee held on 12th February, 2015.

Date of Meeting	No. of Members present
12-02-2015	3

Nomination and Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee adopted the Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The copy of the same has been attached with the Directors' Report as "**Annexure – A**".

Criteria for performance evaluation of Directors:

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee. Criteria for performance evaluation included aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency. Further, performance evaluation of the Managing Director/Joint Managing Directors/Wholetime Directors was based on the implementation of various plans & policies in the Company, monitoring and implementation of the projects including the smooth day to day affairs and operations of the Company and finally performance and business achievements of the Company.

Details of Remuneration paid to the Directors during the Financial Year ended 31st March, 2015

(Amount in ₹)

S. No.	Name of Directors	Salary & Allowances	Contribution to Provident Fund	Perquisites	Sitting Fees	Total
1.	Shri Madhu Sudhan Bhageria, Vice Chairman & Managing Director	33,00,000	16,500	14,69,042	–	47,85,542
2.	Shri Purrshottam Bhaggeria, Joint Managing Director	26,40,000	16,500	9,95,168	–	36,51,668
3.	Shri Madhav Bhageria, Joint Managing Director	26,40,000	16,500	3,61,552	–	30,18,052
4.	Shri S.P. Setia	–	–	–	50,000	50,000
5.	Shri S.C. Parija	–	–	–	90,000	90,000
6.	Shri B B Tandon	–	–	–	40,000	40,000
7.	Smt. Pallavi Joshi Bakhru	–	–	–	50,000	50,000
8.	Shri Ashok Chauhan, Wholetime Director	27,00,000	–	15,000	–	27,15,000

The employment of Managing/Joint Managing Directors/Wholetime Director is on contractual basis. None of the Non-Executive Directors held any Equity Shares of the Company as on 31st March, 2015. The Managing/Joint Managing Directors/Wholetime Director are paid remuneration as approved by the Board of Directors and Shareholders on the recommendation of the Nomination and Remuneration Committee 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 any of the Directors. The appointments of the Managing Director/Joint Managing Directors are made for a period of three years on the terms and conditions contained in the respective resolutions passed by the members in the Annual General meetings. Shri Ashok Chauhan, who has been re-appointed as Wholetime Director by the Board of Directors on the recommendation of the Nomination & Remuneration Committee for a further period of two years w.e.f. 12th February, 2015 is subject to approval of members in the ensuing Annual General Meeting. The Notice period is as per the respective resolutions passed for appointment of Managing Director/Joint Managing Directors/Wholetime Director. However, no severance fee is payable to them.

5. Corporate Social Responsibility Committee

As required under the Companies Act, 2013 ("Act"), the Corporate Social Responsibility ("CSR") Committee was constituted and it consists of Shri Madhu Sudhan Bhageria as the Chairman, Shri Purrshottam Bhaggeria, Shri Madhav Bhageria, Shri B.B.Tandon and Mrs. Pallavi Joshi Bakhru, as members.



During the financial year ended 31st March, 2015, there was one meeting of the Committee held on 4th August, 2014.

6. Stakeholders Relationship Committee

For effective and efficient shareholders services, the Company has a Stakeholders Relationship 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 Dividends etc. as required pursuant to Clause 49 of the Listing Agreement. In compliance of the applicable provisions of the Companies Act, 2013, the Board in its meeting held on 30th May, 2014 renamed the Shareholders'/Investors' Grievances Committee as "Stakeholders Relationship Committee".

The Company attends to Investors' 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, 2015, five shareholders' complaints were received and resolved to the satisfaction of the shareholders and there was no complaint pending as at the year end. There were no share transfers pending for registration as on 31st March, 2015.

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, 1992/2015.

Name and designation of Compliance Officer

Mr. Raman Kumar Jha, Company Secretary

7. General Body Meetings:

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

Year	Location	Date	Time	Whether Special Resolution passed
2011-2012	Survey No.274 Demni Road, Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	27th September, 2012	09.30 A.M.	No
2012-2013	Same as above	26th August, 2013	03.00 P.M.	Yes
2013-2014	Same as above	30th September, 2014	09.30 A.M.	Yes

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.

8. Disclosures

- 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 Note No. 38 of financial statement forming part of the Annual Report.
- 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.
- 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.
- In terms of the Section 177 of the Companies Act, 2013 and Listing Agreement, the Company has formulated the Whistle Blower Policy/Vigil Mechanism. The Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi/ Gujarati and the same should be addressed to the Vigilance Officer of the Company or in exceptional cases, to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website www.filatex.com.



(v) The Company is aware of the risks associated with the business. It has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures quarterly. It regularly analyses and takes corrective actions for managing / mitigating the same. The Company's Risk management framework ensures compliance with the provisions of Clause 49 of the Listing Agreement and has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are: Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of CAPEX; Foreign Exchange fluctuation, maintaining and enhancing customer service standards and resolving environmental and safety related issues.

(vi) The Company has complied with all mandatory requirements set out in Clause 49 of the Listing Agreement.

9. Means of Communication

The Company publishes its quarterly/half yearly/annual results, amongst others, in The Free Press Journal, Financial Express and Sandesh (Gujarati)/Loksatta 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.

10. Code of Conduct for Directors & Senior Management Personnel

The Board has adopted a Code of Conduct for observance by 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 Managing Director of the Company is given at the end of this Report.

11. Shareholder's Referencer

10.1 Annual General Meeting:

- Date and Time 30th September, 2015 at 9.30 A.M.
- Venue Survey No. 274, Demni Road, Dadra - 396193 (U.T. of Dadra & Nagar Haveli)

10.2 Financial Calendar (tentative) Results for the quarter ending 30-06-2015 on or before 14th August, 2015

Results for the quarter/half year ending 30-09-2015 on or before 14th November, 2015

Results for the quarter ending 31-12-2015 on or before 14th February, 2016

Results for the quarter/year ending 31-03-2016 on or before 30th May, 2016

10.3 Book Closure Date : 19th September, 2015 to 30th September, 2015(both days inclusive) for the purpose of Annual General Meeting

10.4 Dividend Payment Date : Not Applicable

10.5. Listing of Equity Shares : BSE & NSE. Annual Listing fee for the year on 2015-16 has been paid to the above Stock Exchanges.

10.6 Stock Code :

- (a) Trading Symbol at The Bombay Stock Exchange Limited 526227
- The National Stock Exchange of India Limited FILATEX

(b) ISIN allotted to : INE816B01019

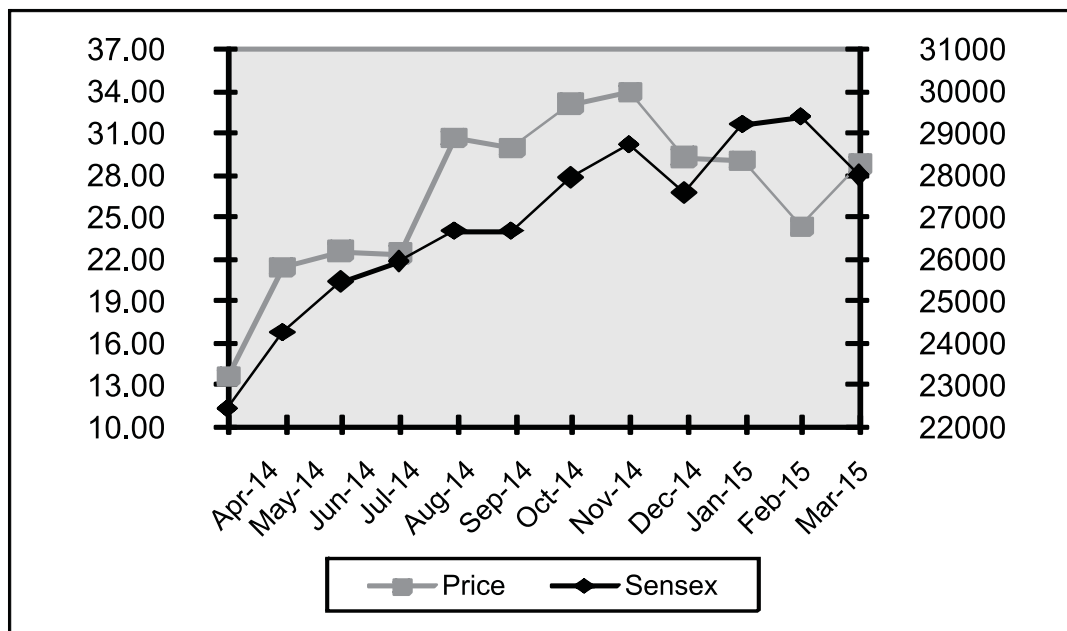
Equity Shares


10.7 Stock Market Data:

Monthly High & Low of the Equity Shares of the Company for the year 2014-2015 based upon BSE Price data in comparison to BSE Sensex is given below:

Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2014	14.45	22939	12.20	22198
May, 2014	21.50	25376	12.88	22277
June, 2014	27.10	25725	21.00	24270
July, 2014	25.10	26300	21.00	24892
August, 2014	32.50	26674	21.60	25233
September, 2014	39.00	27355	27.75	26220
October, 2014	36.00	27894	29.50	25911
November, 2014	35.00	28822	28.15	27740
December, 2014	39.80	28810	27.20	26469
January, 2015	33.40	29844	28.00	26776
February, 2015	30.80	29560	22.05	28044
March, 2015	28.50	30025	22.75	27248

Stock Price Movement



Note: Sensex V/s Closing Share Price on the last trading day of the Month

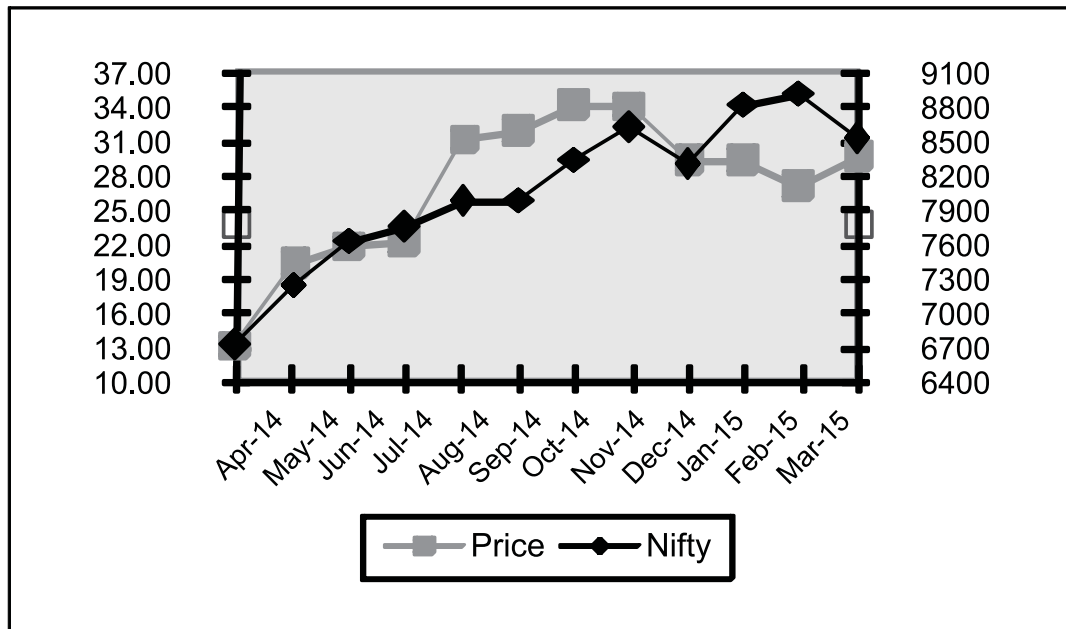


FILATEX INDIA LIMITED

Monthly High & Low of the Equity Shares of the Company for the year 2014-2015 based upon NSE Price data in comparison to Nifty is given below:

Month	High		Low	
	Share Price	Nifty	Share Price	Nifty
April, 2014	14.00	6870	12.55	6650
May, 2014	21.35	7564	12.20	6639
June, 2014	25.05	7700	19.10	7240
July, 2014	24.00	7841	20.45	7422
August, 2014	32.60	7968	21.05	7540
September, 2014	39.00	8180	28.75	7842
October, 2014	36.40	8331	28.65	7724
November, 2014	35.65	8617	27.80	8290
December, 2014	39.80	8627	26.00	7961
January, 2015	33.55	8997	27.10	8065
February, 2015	31.85	8941	23.20	8471
March, 2015	30.30	9119	22.50	8269

Stock Price Movement



Note: Nifty V/s Closing Share Price on the last trading day of the Month

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 Share Transfer Agent Limited at the following address:

MCS Share Transfer Agent Limited

F-65, Okhla Industrial Area, Phase-I, New Delhi- 110020

Tel: 011-41406148, Fax: 011-41709881,

Email: admin@mcsdel.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 Stakeholders Relationship 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, 2015:

S. No	Category	No. of Shares	% to total
1.	Promoters Holding		
	Promoter Group	200,25,495	62.58
2.	Institutional Investors		
	Mutual Funds	13,400	0.04
	Banks and Financial Institutions	100	0.00
	Foreign Institutional Investors	23,02,500	7.20
3.	Others		
	Private Corporate Bodies	43,08,234	13.46
	Indian Public	47,22,245	14.76
	Trust	81,055	0.25
	NRIs/ OBCs	44,133	0.14
	Clearing Members	1,253	0.00
	Hindu Undivided Families	5,01,585	1.57
	TOTAL	3,20,00,000	100.00

Distribution of Shareholding as on 31st March, 2015 according to Size:

Range	Shareholders		Shares	
No. of Shares	Number	% to total holders	Number	% to total Capital
Upto 500	3976	83.63	620142	1.94
501 1000	310	6.52	260315	0.81
1001 2000	159	3.35	256560	0.80
2001 3000	76	1.60	199299	0.63
3001 4000	30	0.63	105445	0.33
4001 5000	36	0.76	173462	0.54
5001 10000	61	1.28	458049	1.43
10001 and above	106	2.23	29926728	93.52
Toal	4754	100	32000000	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 Limited (CDSL).
Share Dematerialization record	As on 31 st March, 2015, 3,16,56,290 Equity Shares were in dematerialized form which represents 98.93% of the paid up capital.
10.12 Outstanding GDR/ADRs/ Warrants or any Convertible Instruments, conversion dates and likely impact on Equity	<p>During the financial year 2013-14, the Company had allotted 80,00,000 convertible warrants on preferential basis to the promoters and others to be converted at the option of warrant holders in one or more tranches, within 18 months from the date of allotment viz September 20, 2013 of warrants into equivalent number of fully paid equity shares of the company of the face value of Rs. 10/- per share at an exercise price of Rs. 25/- per share (including premium of Rs. 15/- per share).</p> <p>The Company, during the financial year 2013-14, had converted 42,40,000 warrants into equivalent number of equity share and balance 37,60,000 warrants were converted during the year under review. Consequently the paid up share capital of the Company increased to Rs. 32.00 crore from Rs. 28.24 crore.</p>
10.13 Plant Location	<ol style="list-style-type: none"> 1. Survey No.274, Demni Road, Dadra-396 193 (U.T. of Dadra & Nagar Haveli) 2. A-2, Extension Phase-II (Noida), Dist. Gautam Budh Nagar- 201 304 (U.P.) 3. Plot No. D-2/6, Jolva Village PCPIR, Dahej-2 Industrial Estate GIDC, Distt. Bharuch Gujarat-392130
10.14 Address for Investor Correspondence	<p>MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase-I, New Delhi- 110020 Tel : 011-41406148, Fax : 011-41709881 Email: admin@mcsdel.com</p> <p>Members can also contact: The Company Secretary Filatex India Limited 43, Community Centre, New Friends Colony, New Delhi - 110 025 Email: shares@filatex.com</p> <p>Shareholders are requested to quote their Folio Nos./DP Id/Client Id, No. of Shares held and address for prompt reply</p>


11. DIRECTORS RETIRING BY ROTATION/ APPOINTMENT/REAPPOINTMENT OF DIRECTORS:

Name of Director	Shri Madhav Bhageria	Shri B.B.Tandon	Shri Ashok Chauhan
Age (Years)	51	74	63
Qualifications	B.Com (Hons) from Hindu College, Delhi University, Delhi	IAS and certified associate of the Indian Institute of Bankers.	MBA, B.E (Mech.)
Date of Appointment	30-07-2003	13-02-2015	12-02-2014
Expertise in specific functional areas/ other related activities.	Promoter Director, looking after day to day plants operations at Dahej & Dadra and marketing functions at Mumbai & Surat	Worked in various senior position with the Central and State Government and retired as Chief Election Commissioner	Marketing, Project Management, General Administration and formation of Business Plans, Risk Evaluation & Business Investment strategies
List of other Directorship (Indian Public Companies)	Trilliant Hospitality Limited Tapti Valley Education Foundation	ACB (India) Limited Bhushan Steel Limited Birla Corporation Limited Exicom Tele-Systems Limited Jaiprakash Power Ventures Limited Jaypee Infratech Limited Oriental Carbon & Chemicals Limited Schrader Duncan Limited	None
Chairman/Member of the committees of the Board of the Companies on which he is a Director.	-	Member - Audit Committee Filatex India Limited Schrader Duncan Limited Birla Corporation Limited Oriental Carbon & Chemicals Ltd. ACB (India) Limited Exicom Tele-Systems Limited Chairman - Audit Committee: Bhushan Steel Limited Jaiprakash Power Ventures Limited	None

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, 2015 to the Board of Directors.

13. NON MANDATORY ITEMS:

The Company has not adopted any non mandatory requirements as mentioned in Annexure III of Clause 49 of the Listing Agreement.

DECLARATION

I, Madhu Sudhan Bhageria, 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, 2015.

Place: New Delhi
Date : August 5, 2015

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, 2015 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.

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

VIRENDRA KUMAR
Partner

Membership No. 85380

Place : New Delhi
Dated : August 13, 2015



MANAGEMENT'S DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT

This report on Management Discussion and Analysis contains certain forward looking statements and has been issued in terms of the applicable laws and regulations. These statements address expectations or projections about the future. Since these are based on certain assumptions and expectations of future events actual results, performance or achievements could however differ 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 the forward-looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

GLOBAL ECONOMY

During the financial year 2014-15, the global economy witnessed divergent trends among major economies. Sharp decline in energy prices added mixed reactions, stressing the oil producing countries and simultaneously brightening the growth prospects in oil importing developing economies. Strong growth in crude oil output from non-OPEC producers, coupled with weak / declining demand in some key economies lead to a situation of over-supply which caused decline in oil prices and the same was further accelerated by the OPECs decision not to cut back production in the respective countries. Despite volatile energy prices, the global economic recovery is gaining momentum. Economic recovery in US, the biggest economy, is poised to grow strongly beating expectations on account of domestic demand aided by the upward trend in the US economy in 2014. UK is also well on its way to recovery. Lower oil prices in 2014-15 lead to substantial savings to oil importing nations and gave an opportunity to reform energy subsidies and taxes.

INDIAN ECONOMY

In 2014-15, the Indian economy grew at 7.3% and has been one of the better performing economies in the last decade. Continuing its momentum, it is expected to maintain a high growth rate over the next 10-12 years. Economists have projected 7%-9% GDP growth for India in the coming decade. Such a high economic growth will be a major driver of an increase in demand and consumer spending in India, which will include spending on textile and clothing.

TEXTILE INDUSTRY OUTLOOK

Global Textile Industry

The global textile and clothing industry has registered a growth of 4-5% in 2014-15. The growth could have been stronger, but subdued Q4 lead to lower growth. The industry is expected to achieve the same growth i.e. 4-5% in 2015-16 also.

Polyester market faced challenges during the year as feedstock volatility was accentuated by capacity additions, which were significantly ahead of demand growth. As with other hydrocarbon chains, prices for feedstock and final products witnessed a steep decline during the year, with price declines ranging from 15-35%.

Polyester fibre and yarn markets started the year amid fluctuating feedstock price trends, leading to a conservative (need-based buying) approach by downstream units. The year 2014 witnessed filament capacity growth of 2.2 million MT compared to a demand growth of under 2.0 million MT. In addition to the overcapacity in the filament yarn segment, higher raw material cost and consequent declining margins during the first half forced producers to rationalise operations. During the third quarter, raw material costs suffered a decline with the steep drop in energy prices. While polyester fibre and yarn prices were also lower by 25% from their peak in June 2014, the lag in price drops supported polyester deltas. FY 2014-15 margins of Partially Oriented Yarn (POY) and Polyester Staple Fibre (PSF) were marginally higher on y-o-y basis.

Cotton production of around 26 million MT in 2014-15 remained higher than consumption for the fifth consecutive season. Along with this, the Chinese policy of limiting cotton purchases for the year weighed on prices which ended 23% lower than last year. However, with the steep drop in polyester prices towards the later part of the year, polyester v/s cotton price difference stayed above long-term levels, at \$ 500/MT, mitigating the threat of substitution in blends.

The outlook for the coming year is favourable for polyester as the declining cotton prices globally has discouraged cotton farming in major cotton growing countries, leading to a lower cotton acreage for the next season. This could lead to production falling below consumption for the first time in five years and support cotton prices. Indian polyester demand is expected to reach a level of around 6 million MT, at a CAGR of around 8% by end of 2020.

Indian Textile Industry

Indian Textile industry may touch USD 500 billion by 2025. Domestic market is projected to go up from USD 68 billion in 2013 to USD 315 billion in 2025, and the export market is projected to grow from USD 40 billion to USD



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185 billion in 2015. The segments contributing in the growth is likely to be from technical textiles and apparels. India has a potential to double its market share in global trade from 5% to 10% by 2025.

Man Made Fibre Industry

Man made fibre accounts for 71% of the total global fibre production. India's fibre production for the year 2014-15 was estimated at 11.0 mn tones. While production of cotton fibre was down by 2%, production of polyester fibre was up by 7%. Polyester fibre continues to lead the growth in domestic market.

India's Yarn Scenario

India's yarn production registered a positive growth of 3.3%. All segments, cotton, blended and 100% non-cotton yarn was expected to register a positive growth in 2015-16.

Polyester Industry in India

- Domestic growth of polyester fiber is up by 12.5% on Y-o-Y basis. Total domestic demand is estimated at 3.6 million MT in 2014-15, as compared to 3.2 million MT in 2013-14. The robust demand was led by FDY, followed by POY & PSF.
- Polyester fibre demand is estimated to grow @ 8-10% during the period 2016-18 owing to price stability, competitiveness of polyester fibre price over cotton fibre and new applications in technical textiles.
- The domestic capacity increased by around 12% whereas the demand moved up from 2.42 million MT to 2.79 million MT. The overall capacity utilization of the industry was at 65%.

FILATEX INDIA LIMITED – the Company.

Filatex India Limited is one of the major filament yarn manufacturer with an integrated manufacturing facility at Dahej (Gujarat), Dadra (Union Territory of D&NH) and Noida (UP). The products basket includes Polyester Filament Yarn, Polypropylene Filament Yarn, Draw Texturised Yarn, Fully Drawn Yarn, Textile Grade Chips, Narrow Customized Fabrics & Monofilament Yarns.

Core Strength

- Over two decades of industry experience
- Amongst India's most cost efficient polyester yarn manufacturers
- Well defined quality and process management system
- Excellent relationship with customers

Production performance:

(MT/pa)

Particulars	2013-14	2014-15
Partially Oriented Yarn (POY)	105084	105182
Polyester Chips	76840	67821
Fully Drawn Yarn (FDY)	12129	12488
Polypropylene Yarn (PP)	6274	6157

Financial Performance

(Rs/lacs)

Particulars	2013-14	2014-15
Total Income (including operating & other income)	197032.59	174029.08
EBIDTA	5446.42	8856.59
PBT	(1149.64)	1439.47
PAT	(809.37)	959.72
Book value per share (Rs)	54.68	53.22
Earning per share (Rs)	(3.30)	3.12

Growth plans:

The company is presently implementing an expansion scheme for manufacture of high value added products viz. 100 MT/day of Fully Drawn Yarn (FDY), 30 MT/day of Partially Oriented Yarn (POY) from direct melt capacity along with 200 MT/day of POY texturing at its exiting unit at Dahej at a capital cost of Rs.241 crores. FIL will have to mainly put up only plant & machinery for implementing the above scheme as other infrastructure facilities like land, roads, part of utilities, heating systems etc. are already available at the said plant. This will not only lead to lower per ton capital cost but also much lower operating cost as the increase in staff cost and plant overheads are minimal.



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Opportunities & Challenges.

Opportunities:

- i) Urbanization and increased disposable income are driving the demand in downstream industry
- ii) Emerging non-apparel applications of polyester yarn
- iii) Price competitiveness of polyester yarn vis-à-vis cotton and other yarns
- iv) Increasing impact of rural consumers in the domestic consumption which spins off a major opportunity growth in the polyester industry.

Challenges:

- i) High interest rates
- ii) Volatility in the prices of raw material
- iii) Under utilization of production capacity

Business risks & mitigation strategy.

Risk is an integral part of business strategy. It is the uncertainty regarding business decision events and their possible outcomes. That could impact an enterprise's performance and prospects. In overall perspective, the business can have economic risk, demand risk, input costs risk, competition risk, market risk, human capital risk, technology risk etc.

Filatex management team and key executives work cohesively in a productive manner to identify changes in the scenario. Effective steps are taken to avoid or minimize the risk.

Filatex has state of art technology which is reviewed and updated on a regular basis.

Filatex has committed resources to augment necessary human resource development. Systematic training opportunities are organized to equip employees with skill, on the job training and technical training.

Human Resources & Industrial Relations

Human Resources are vital the success of any organization. The company recognizes that the quality of its employees is the key to success. The company commits resources to augment necessary human resource development. As mentioned earlier, Systematic training opportunities are organized to equip employees with skill, on the job training and technical training.

Consistent and fair policies ensure that industrial relations continue to be peaceful and cordial and results in improvement in productivity and effectiveness. The Company aims at creating development oriented approach for its employees by building systems, processes and focusing on recruitment of top quality manpower. Focus on transparent performance appraisal and incentive schemes has resulted in highly motivated workforce and increased productivity.

The company provides a fair 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 work force of the company stood at 1321 as compared to 1335 in the previous year.

Internal control Systems & their adequacy.

The company has comprehensive system of internal controls to safeguard the company's assets against any loss from unauthorised usage and ensure proper authorisation of financial transactions. The systems provide a high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with applicable laws and statutory regulations. The Company has a 'Budgetary Control' system and actual performance is regularly 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 maintaining proper records of assets.

The company continue to have an independent agency as the Internal Auditor to conduct operations & systems audit in accordance with the audit programmes adopted by the audit committee. The internal auditors, as part of their assignment, evaluate and assess the adequacy and effectiveness of internal control measures and compliance with policies, plans & statutory requirements. The internal audit reports are discussed / reviewed by senior management and audit committee of the Board and on its recommendations appropriate actions are initiated to ensure compliance.

Statutory compliance

The Vice Chairman & Managing Director and CFO make a declaration at each Board Meeting regarding the compliance with the provisions of various statutes, after obtaining confirmation from all the units of the company. The Company Secretary ensures compliances in accordance with Companies Act, SEBI regulations and provisions of the Listing Agreement.



Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO THE MEMBERS OF FILATEX INDIA LIMITED

S. No. 274, Demni Road,
Dadra 396193, Dadar Nagar Haveli

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Filatex India Limited** having **CIN No. L17119DN1990PLC000091** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **Filatex India Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Filatex India Limited** for the financial year ended on **31st March 2015** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);

The Company has complied with the provisions, rules & regulations of FEMA to the extent applicable. The Company is not having any FDI, ODI and ECB during the period.

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Not Applicable to the Company during the Audit period.

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not Applicable to the Company during the Audit Period.
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the Audit Period** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the Audit Period.**



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vi The Company has also complied with various provisions of Electricity Laws, Labour Laws, Environment Laws and related laws to the extent applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. **Not notified for the Audit period, so Not Applicable to Company.**
- ii. The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, on exercise of option of conversion of Warrants by the promoters, the Company has converted the remaining 37,60,000 convertible Warrants into equivalent no. of Equity Shares of Rs. 10/ each, in pursuance to the applicable laws, rules, regulations, guidelines, standards, etc. referred above.

Place : New Delhi
Date : June 11, 2015

For SIDDQUI & ASSOCIATES
Company Secretaries
K.O.SIDDQUI
FCS 2229; CP 1284



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1.	Details of contracts or arrangements or Transactions not at arm's length basis	Not applicable
	a) Name(s) of the related party and nature of relationship	
	b) Nature of contracts/arrangements/transactions	
	c) Duration of the contracts/arrangements/transactions	
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	e) Justification for entering into such contracts or arrangements or transactions	
	f) date(s) of approval by the Board	
	g) Amount paid as advances, if any:	
	h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	Details of material contracts or arrangement or transactions at arm's length basis	Not applicable
	a) Name(s) of the related party and nature of relationship	
	b) Nature of contracts/arrangements/transactions	
	c) Duration of the contracts/arrangements/transactions	
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	e) Justification for entering into such contracts or arrangements or transactions	
	f) date(s) of approval by the Board	
	g) Amount paid as advances, if any:	
	h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	



ANNEXURE TO DIRECTORS' REPORT

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

A) CONSERVATION OF ENERGY

1. Energy Conservation measures taken:

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

- In LP air, Generation pressure was reduced by optimizing pipe size & Pressure drop with suitable modification in pipe line.
- Efficient Intermingling Nozzles have been used which have reduced air consumption.
- In HP air Invertors have been introduced with auto control to save energy.
- In POY Quench air fresh air duct provided with return air Enthalpy controller.
- HTM Heaters ; FD fan impellers were replaced with backward curve vane to improve the air flow and saving in Energy.
- In CP VAM chiller; Automatic Tube Cleaning System installed resulting in improved performance of the Chiller.
- ETP; Added an Aeration tank to increase the capacity of aeration. This has resulted in less consumption of chemicals and water.
- Optimization & improvement of Air Cooling System resulting in less usage of chiller.
- Centrifugal compressor installed to improve in efficiency of air generation.
- Air dryer modified to improve dryer efficiency.
- Provided Motion sensors in lighting in D.Tex Godown area.
- Continuously eliminating star delta starters by providing Inverters in main motor of D. Tex. machines for energy saving.
- Replacing ordinary tube lights by latest technology LED tube lights for energy savings.

2. Additional Investment and proposal, If any, being implemented for reduction of Consumption of energy.

- HTM Ash pool pump size to be reduce to remove valve throttling & save energy.
- Additional Hot water VAM chiller to be used for HTM waste heat recovery by using HRU in exhaust line.
- Lighting voltage to be reduce up to 380 volt by separate transformer
- LED Lighting and Solar Lighting Fixtures to be installed
- ETP RO pump final pressure to be optimize to reduce pumping power .

3. Impact of the measure at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of product 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 equipment.

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

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

B. TECHNOLOGY ABSORPTION

The details are provided in 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 and export plans.

The company is continuously exploring the possibilities for increasing its exports to newer markets. Participation in trade exhibition and various other publicity measures are undertaken, for export promotion



b) Foreign exchange earned	:	Rs. In lacs	5884.15
Foreign exchange used	:	Rs. In lacs	57557.39

D. INFORMATION ON POLLUTION CONTROL MEASURES:

The company is maintaining & monitoring environment & pollution control parameters at its plants on a continuous basis. The company is maintaining proper effluent treatment plant to keep the environment pollution free. 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

	2014-2015	2013-2014
(A) Power and Fuel Consumption :		
1 Electricity		
(a) Purchased Units KWH	87,466,407	53,571,424
Total amount (Rs. in lacs)	4,762	2,433
Rate per unit (Rs./KWH)	5.44	4.54
(b) Own generation through DG Sets		
Units KWH	142,939	167,217
Units per Liter of Diesel oil	2.60	2.89
Cost per unit (Rs./KWH)	21.95	18.03
(c) Own generation through Gas Engine		
Units KWH	-	35,459,440
Units per SCM of Gas	-	3.73
Cost per unit (Rs./KWH)	-	9.47
2 Coal		
Quantity (MT)	37,729	36,066
Total amount (Rs. in lacs)	1,579	1,445
Average rate per MT Rs.	4,186	4,008
B) Consumption per unit production		
Electricity (KWH / MT)		
a) Chips	95	104
b) Yarn	586	602
Coal (KG /MT)		
a) Chips	212	200
b) Yarn	269	243

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 company

- Optimization of process parameter to increase productivity, quality & efficiency
- Development of Following New Products during the year:
- "M" silk in FDY 100/36 denier,
- "Silco" in FDY denier 150/72,150/96
- Slit yarn in FDY 80/12,160/24 denier



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- POY denier 44/14 black
- POY FD denier 126/72
- 75/20 Polyester Texturised with Spandex
- NWF tape 4mm/16000 den & Zebra tape 40 mm
- Large no. of new shades were developed in POY, FDY & PP.
- Package size increased & packing box modified to achieve reduction in packing cost.

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 quality of products
- Study of new material technology and development
- Re- use of waste water after adequate treatment.
- 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, ADPTATION AND INNOVATION

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

- Development of new products to cater to the market requirements : FDY 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 improving the processes of production to increase its production 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 product portfolio through flexible manufacturing facilities.
- 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.



DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for the financial year 2014-15 (Rs. in lacs)	% increase in Remuneration in the financial year 2014-15	Ratio of Remuneration of each Director/ to median Remuneration of Employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Shri Madhu Sudhan Bhageria Vice Chairman & Managing Director	47.85	15%	30.48	The Profit before Tax for FY 2014-15 Rs. 1,439.47 Lacs as compared to a loss of Rs. 1,149.64 lacs in the previous FY 2013-14.
2.	Shri Purrshottam Bhaggeria Joint Managing Director	36.52	15%	23.26	
3.	Shri Madhav Bhageria Joint Managing Director	30.18	15%	19.22	
4.	Shri Ashok Chauhan** Wholetime Director	27.15	Nil	17.29	
5.	Shri B. B. Tandon* Non-Executive Independent Director	#	#	#	#
6.	Shri S.C. Parija Non-Executive Independent Director	#	#	#	#
7.	Shri S.P. Setia Non-Executive Independent Director	#	#	#	#
8.	Smt. Pallavi Joshi Bakhru Non-Executive Independent Director	#	#	#	#
9.	Mr. R.P. Gupta Chief Financial Officer	13.94	9.17%	N.A	The Profit before Tax for FY 2014-15 Rs. 1,439.47 Lacs as compared to a loss of Rs. 1,149.64 lacs in the previous FY 2013-14.
10.	Mr. Raman Kumar Jha Company Secretary	5.61	7.49%	N.A	

No remuneration only Sitting Fees Paid

* Resigned on 24.09.2014 and appointed on 13.02.2015

** Re-appointed on 13.02.2015 on same remuneration



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- ii) The median remuneration of employees of the Company during the financial year was Rs. 1.57 Lacs
- iii) In the financial year, there was an increase of 10.12% in the median remuneration of employees.
- iv) There were 1321 permanent employees on the rolls of Company as on 31 March 2015.
- v) Relationship between average increase in remuneration and company performance: The Profit before Tax for the financial year ended 31 March 2015 was Rs. 1,439.47 Lacs as compared to a loss of Rs. 1,149.64 lacs in the previous year ended 31 March 2014 whereas the increase in median remuneration was 10.12%. The average increase in median remuneration was in line with the performance of the Company.
- vi) (a) Variations in the market capitalisation of the Company (as per NSE closing price) : The market capitalisation as on 31 March 2015 was Rs. 9,408.00 lacs (Rs. 3,798.28 lacs as on 31 March 2014).
- b) Price Earnings ratio of the Company was 9.42 as at 31 March 2015 and was (4.08) as at 31 March 2014.
- c) Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:
The Company had come out with Initial Public Offer (IPO) in the year 1993. An amount of Rs. 10/- invested in the said IPO would be worth Rs. 29.40/- as on 31 March 2015. This is excluding the dividend accrued thereon and benefit on account of shares received at the time of right, bonus and demerger, etc (if any).
- vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year, i.e., 2014-15 was 10.59% whereas the increase in the managerial remuneration for the same financial year was 11.14%.
- viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Employees.
- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.
- x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS		
1.	CIN	L17119DN1990PLC000091
2.	Registration Date	10-03-1995
3.	Name of the Company	Filatex India Limited
4.	Category / Sub-Category of the Company	Public Company/Limited by shares
5.	Address of the Registered office and contact details	Survey No.274, Demni Road, Dadra-396 193 (U.T. of Dadra & Nagar Haveli) Phone No. 260-2668343/8510
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Ltd. F-65, Okhla Industrial Area, Phase-I, New Delhi-110020, Phone No. 011-41406148

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyester and Polypropylene Multifilament yarn	54024600	70%
2	Polyster Chips	39076010	11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:					
Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.					
2.					
3.					



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
i) Category-wise Share Holding										
Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoter and Promoter Group										
1. Indian										
(a)	Individuals/Hind Undivided Family	10940279	—	10940279	38.74	14700279	—	14700279	45.94	7.2
(b)	Central Government/ State Government(s)	—	—	—	—	—	—	—	—	—
(c)	Bodies Corporate	5325216	—	5325216	18.86	5325216	—	5325216	16.64	(2.22)
(d)	Financial Institutions / Banks	—	—	—	—	—	—	—	—	—
(e)	Any Other (specify)	—	—	—	—	—	—	—	—	—
Sub Total (A)(1)		16265495	—	16265495	57.60	20025495	—	20025495	62.58	4.98
2. Foreign										
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions									
(d)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		16265495	-	16265495	57.60	20025495	-	20025495	62.58	4.98
(B) Public shareholding										
1. Institutions										
(a)	Mutual Funds/UTI	-	13400	13400	0.05	-	13400	13400	0.04	(0.01)
(b)	Financial Institutions / Banks	100	-	100	-	100	-	100	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	2302500	—	2302500	8.15	2302500	-	2302500	7.20	(0.95)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
Any Other (specify)		-	-	-	-	-	-	-	-	-
Sub Total (B) (1)		2302600	13400	2316000	8.20	2302600	13400	2316000	7.24	(0.96)
2. Non-institutions										
(a)	Bodies Corporate	4747112	16900	4764012	16.87	4294334	13900	4308234	13.46	3.41
(b)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	1628741	286310	1915051	6.78	1568491	277210	1845701	5.77	(1.01)



	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2402406	39200	2441606	8.65	2837344	39200	2876544	8.99	0.34
(c)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
(d)	Any Other									
(i)	Non Resident Indians (Repat)	56101	-	56101	0.20	44133	-	44133	0.14	(0.06)
(ii)	Hindu Undivided Families	396132	-	396132	1.40	501585	-	501585	1.57	0.17
(iii)	Foreign Companies	-	-	-	-	-	-	-	-	-
(iv)	Clearing Member	4548	-	4548	0.02	1253	-	1253	-	(0.02)
(v)	Foreign Collaborators	-	-	-	-	-	-	-	-	-
(vi)	Trust	81055	-	81055	0.29	81055	-	81055	0.25	(0.04)
Sub Total (B)(2)		9316095	342410	9658505	34.20	9328196	330310	9658505	30.18	(4.02)
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)		11618695	355810	11974505	42.40	11630795	343710	11974505	37.42	(4.98)
Total (A)+(B)		27884190	355810	28240000	100	31656290	343710	32000000	100	-
(C)	Shares held by custodians and against which Depository Receipts have been issued									
	Promoter and Promoter group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
Sub Total (C)		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		27884190	355810	28240000	100	31656290	343710	32000000	100	

ii)	Shareholding of Promoters							
	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Madhu Sudhan Bhageria	2972500	10.53	41.28	4218360	13.18	41.78	2.65
2	Purrshottam Bhaggeria	2940079	10.41	28.47	4193359	13.10	41.14	2.69
3	Madhav Bhageria	2970100	10.52	23.77	4230960	13.22	41.48	2.70

iii)	Change is promotor's share holding (please specify if there is no change)				
		Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Madhu Sudhan Bhageria	2972500	10.53	4218360	13.18
2	Purrshottam Bhaggeria	2940079	10.41	4193359	13.10
3	Madhav Bhageria	2970100	10.52	4230960	13.22



iv) Shareholding Pattern of top ten Shareholders (other than Promoter Director and Holders of GDRs and ADRs):								
		Shareholding at the beginning of the year					Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the company
1	Azimuth Investments Ltd.	3125000	11.07	--	--	--	3125000	9.77
2	Nouvelle Securities Pvt. Ltd.	1989016	7.04	--	--	--	1989016	6.22
3	ELM Park Fund Limited	1182500	4.19	--	--	--	1182500	3.70
4	Hypnos Fund Limited	1120000	3.97	--	--	--	1120000	3.50
5	RMP Holdings Pvt. Ltd.	909500	3.22	--	--	--	909500	2.84
6	R N Khemka Enterprises Pvt. Ltd.	600000	2.12	--	--	--	600000	1.88
7	Ram Avtar Bhageria	462000	1.64	--	--	--	462000	1.44
8	Satya Bhama Bhageria	457300	1.62	--	--	--	457300	1.43
9	ANM Fincap Pvt.Ltd.	440000	1.56	--	--	--	440000	1.38
10	Shefali Bhageria	400300	1.42	--	--	--	400300	1.25
11	Vishnu Prasad Mittal	--	--	--	413917		413917	1.29

v) Shareholding Pattern of Directors including promoter director and Key Managerial Personnel and Holders of GDRs and ADRs):								
		Shareholding at the beginning of the year					Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the company
1	Madhu Sudhan Bhageria	2972500	10.53	04.08.2014	1245860	Preferential Issue	4218360	13.18
2	Purrshottam Bhaggeria	2940079	10.41	04.08.2014	1253280	Preferential Issue	4193359	13.10
3	Madhav Bhageria	2970100	10.52	04.08.2014	1260860	Preferential Issue	4230960	13.22
4	Ashok Chauhan	--	--	---	--	--	--	--
5	S.C.Parija	--	--	---	--	--	--	--
6	S.P.Setia	--	--	---	--	--	--	--
7	Pallavi Joshi Bakhru	--	--	---	--	--	--	--
8	B.B.Tandon	--	--	---	--	--	--	--
9	R.P.Gupta	--	--	---	--	--	--	--
10	Raman Kumar Jha	--	--	---	--	--	--	--



V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt in Rs.)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,54,32,23,333	67,25,00,000	Nil	4,21,57,23,333
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1,80,40,223	Nil	Nil	1,80,40,223
Total (i+ii+iii)	3,56,12,63,556	67,25,00,000	Nil	4,23,37,63,556
Change in Indebtedness during the financial year • Addition • (Reduction)				
Net Change	(95,880,897)	6,45,00,000	Nil	(31,380,897)
Indebtedness at the end of the financial year				
i) Principal Amount	3,45,74,24,289	7,37,000,000	Nil	4,19,44,24,289
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	79,58,370	Nil	Nil	79,58,370
Total (i+ii+iii)	3,465,382,659	73,70,00,000	Nil	4,20,23,82,659

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL						
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:						
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sh. Madhu Sudhan Bhageria	Sh. Purrshottam Baggeria	Sh. Madhav Bhageria	Sh. Ashok Chauhan	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,16,500	26,56,500	26,56,500	27,00,000	1,13,29,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14,69,042	9,95,168	3,61,552	15,000	28,40,762
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)	47,85,542	3,651,668	3,018,052	2,715,000	1,41,70,262
	Ceiling as per the Act	As per Companies Act, 2013 and Schedules thereto				



B. Remuneration to other directors:						(Amt in Rs.)
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sh. S.P Setia	Sh.S.C Parija	Sh. B.B Tandon	Smt. Pallavi Joshi Bakhru	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	50,000	90,000	40,000	50,000	230,000
	Total (1)	50,000	90,000	40,000	50,000	230,000
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify					
	Total (2)					
	Total (B)=(1+2)	50,000	90,000	40,000	50,000	230,000
	Total Managerial Remuneration					1,44,00,262
	Overall Ceiling as per the Act	No Remuneration, only sitting fee				

A. Remuneration to Key Managerial Personnel other than MD / Manager / WTD					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not applicable	560,996	1,394,142	1,955,138
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total		560,996	1,394,142	1,955,138

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:						
	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					



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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Filatex India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the *aforesaid financial statements give the information required by the Act in the manner so required and subject to:- In terms of the Notification No.G.S.R. 225(E) dated March 31, 2009 as amended till date by the Ministry of Corporate Affairs (MCA) on Accounting Standard (AS-11), the Company had exercised option to adjust the foreign exchange difference on long term foreign currency loans (foreign currency loans obtained under buyers credit with maturity of less than one year and considered as long term liabilities, as the same are to be rolled over for a period of three years from the date of origination) to the cost of qualifying capital assets. Accordingly, the company has added Rs.17.82 lacs for the year ended March 31, 2015 on account of foreign exchange difference to the cost of qualifying assets and charged depreciation of Rs 0.81 lacs for the year ended March 31,2015, consequently profit for the year would have been lower by Rs 17.01 lac. Further the company has received letter dated 26th December, 2014 from National Stock Exchange (NSE) advising the company to restate its Financial Statements for the financial year 2012-13*



subsequent to our qualification relating to treatment of foreign exchange difference during FY 2012-13. The company has taken up the matter with NSE/SEBI to explain and substantiate the accounting treatment by the company. Pending personal hearing allowed by SEBI, the company has not given any effect of the qualification in the financial statements. Impact will be accounted for on receipt of final decision in the matter, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015, on its financial position in its financial statements - Refer note 30;
 - ii) The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015

For **AMOD AGRAWAL & ASSOCIATES**
Firm Registration No.005780N
Chartered Accountants

Place : New Delhi
Date : May 04, 2015

AMOD AGRAWAL
PARTNER
Membership No. 084175

Annexure to Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Filatex India Limited on the financial statements as of and for the year ended March 31, 2015

1. (a) The Company is maintaining proper records showing 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.



FILATEX INDIA LIMITED

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. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system 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 and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public within the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. 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 sub section 1 of section 148 of the Companies Act, 2013 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.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, the dues outstanding of income-tax, wealth-tax, sales tax, service-tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute as at March 31, 2015 are stated below:-

Sl. No	Name of the Statute	Nature of Dues	Amt (Rs/lacs)	Period to Which it relates	Forum where Dispute is pending
1	Central Excise Act, 1944.	NCCD on Deemed Exports.	2.76	From July to Nov. 2004	Commissioner of Central Excise (Appeals), Vapi
2	Central Excise Act, 1944.	NCCD against CENVAT of basic excise duty	453.12	From March 2006 to February 2008.	The Commissioner, Central Excise & Customs, Vapi
3	Central Excise Act, 1944.	Demand towards adjustments of NCCD against CENVAT credit of Basic Excise Duty.	21.68	February, 2008	The Jt. Commissioner, Central Excise & Customs, Vapi
4	Central Excise Act, 1944.	Credit of Service Tax availed on courier service.	0.21	F.Y's 2005-06 & 2006-07	The Asst. Commissioner of Central Excise, Silvassa.
5	Central Excise Act, 1944.	Credit of Service Tax availed on Courier Services, GPA, Group Medclaim and Vehicle insurance	1.68	F.Y's 2007-08 to 2011-12	The Deputy Commissioner of Central Excies, Silvassa
6	Central Excise Act, 1944.	Demand for sale of Grey Knitted fabrics from the premises of various job workers.	603.52	FY 2008-09	CESTAT, WZB, Ahmedabad
7	Central Excise Act, 1944.	Cenvat Credit of capital goods	5.19	F.Y's 2007-08 & 2008-09	CESTAT, WZB, Ahmedabad
8	Central Excise Act, 1944.	Excess credit availed on goods supplied to 100% EOUs	35.99	FY 2007-08	Commissioner (Appeals) C.E., Vapi



9	Central Excise Act, 1944.	Credit of Capital goods availed on Channels, Angles etc. for the year 2009-10 and 2010-11	4.83	F.Y's 2009-10 & 2010-11	CESTAT, WZB, Ahmedabad
10	Central Excise Act, 1944.	Credit of Service tax availed on the invoices issued in the name of Branch offices for the year 2010-11, 2011-12 & 2012-13	2.77	F.Y's 2010-11 to 2012-13	CESTAT, WZB, Ahmedabad
11	Central Excise Act, 1944.	Demand of Service Tax credit availed on Sales Commission for the years 2009-10 & 2010-11	15.31	F.Y's 2009-10 & 2010-11	The Addl. Commissioner, Central Excise, Customs & Service Tax, Vapi
12	Central Excise Act, 1944.	Cenvat credit of service tax availed on invoices issued in the name of branch office for the period from Nov.-2012 to March.-2013	0.69	From Nov. 2012 To Mar. 2013	Commissioner (Appeals) C.E., Vapi
13	Central Excise Act, 1944.	Demand for Cenvat credit of service tax availed on invoices issued in the name of branch office for the period from Nov.-2012 to March.-2013	0.10	From Nov.-2012 to March 2013	The Superintendent, Central Excise, Customs & Service Tax, Range-IV, Div.-I, Silvassa
14	Central Excise Act, 1944.	Demand of Ex. duty on Polyester FDY Yarn transferred to NWF on transaction value instead of CAS-04 for the period from April-2009 to April-2012	13.99	From Apr.-2009 to Apr -2012	The Jt. Commissioner, Central Excise, Customs & Service Tax, Vapi
15	Central Excise Act, 1944.	Cenvat credit of service tax availed on courier service for the period from Oct.-2013 to oct.-2014	0.17	From Oct.-2013 to Oct.-2014	The Superintendent, Central Excise, Customs & Service Tax, Range-IV, Div.-I, Silvassa
16	Customs Act, 1962.	Differential duty on import of chips	14.54	December, 2007	Asst. Commissioner of Customs, Group II, E&B, JNCH, Navi Mumbai.
17	Customs Act, 1962.	Co-Party made with a customer for discrepancies in compliance of export obligation by customer.	15.00	April, 2007	CESTAT, Western Zone, Ahmedabad.
18	Customs Act, 1962.	Demand due to non receipt of Warehouse Certificate	4.81	June, 2005	CESTAT, Western Zone, Ahmedabad.
19	Customs Act, 1962.	Fraudulent availment of DEPB credit by M/s Shivam Overseas, Ludhiana by resorting to overvaluation of their exported goods	8.64	March 2005	The Commissioner of Customs (EP), New Custom House, Ballard Estate, Mumbai
20	Income tax Act 1961.	Penalty on Income Tax	33.37	AY 2001-02 To 2005-06	Commissioner of Income Tax (Appeals)

(c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

8. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.



FILATEX INDIA LIMITED

10. 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.
11. Based on the audit procedures applied by us & 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.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **AMOD AGRAWAL & ASSOCIATES**

Firm Registration No.005780N

Chartered Accountants

Place : New Delhi
Date : May 4, 2015

AMOD AGRAWAL
PARTNER

Membership No. 084175

**FILATEX INDIA LIMITED****BALANCE SHEET AS AT MARCH 31, 2015****(Rs. in Lacs)**

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
Equity & Liabilities			
Shareholders' Fund			
Share Capital	3	3,200.00	2,824.00
Reserves & Surplus	4	13,832.91	12,383.03
Money received against share warrants		-	235.00
Total Shareholders Fund		17,032.91	15,442.03
Non - current liabilities			
Long term borrowings	5	21,912.67	28,320.69
Deferred tax liability (Net)	6	1,668.88	1,226.71
Other Long term liabilities	7	331.09	19.51
Long term provisions	8	369.40	270.82
Total Non Current Liabilities		24,282.04	29,837.73
Current liabilities			
Short term borrowings	9	15,763.13	13,072.61
Trade Payables	10	8,365.56	14,518.39
Other current liabilities	11	6,127.37	4,749.84
Short term provisions	12	76.62	62.65
Total Current Liabilities		30,332.68	32,403.49
Total		71,647.63	77,683.25
Assets			
Non - current assets			
Fixed Assets			
Tangible assets	13	38,820.69	39,860.96
Intangible assets	13	7.85	19.13
Capital work in progress	13	235.58	59.43
Non-current Investments	14	0.03	0.03
Long term loans and advances	15	1,792.52	414.86
Other non-current assets	16	83.62	313.20
Total Non Current Assets		40,940.29	40,667.61
Current assets			
Inventories	17	11,851.74	6,675.99
Trade receivables	18	14,909.66	21,437.10
Cash & bank balances	19	1,543.66	3,216.54
Short term loans & advances	20	1,220.97	2,592.12
Other current assets	21	1,181.31	3,093.89
Total Current Assets		30,707.34	37,015.64
Total		71,647.63	77,683.25
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for AMOD AGRAWAL & ASSOCIATES
 Firm Registration No. 005780N
 Chartered Accountants

for and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

AMOD AGRAWAL
 Partner
Membership No. 84175

MADHU SUDHAN BHAGERIA
 Vice Chairman & Managing Director

S.C. PARIJA
 Independent Director

R.P. GUPTA
 Chief Financial Officer

RAMAN KUMAR JHA
 Company Secretary

Place : New Delhi
 Date : May 04, 2015

**FILATEX INDIA LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31st, 2015****(Rs. in Lacs)**

Particulars	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from operations (gross)	22	173,059.38	195,807.28
Less : Excise duty		15,783.15	18,867.62
Revenue from operations (net)		157,276.23	176,939.66
Other Income	23	969.70	1,225.31
Total revenue (I)		158,245.93	178,164.97
Expenses			
Cost of material consumed	24	109,355.67	134,756.71
Purchases of traded goods	24	26,387.34	21,041.94
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade	25	(742.72)	1,589.38
Employee benefits expense	26	3,539.16	3,174.51
Finance cost	27	5,359.64	4,003.02
Depreciation & amortization expense	13	2,057.48	2,593.04
Other Expenses	28	10,849.89	12,156.01
Total expenses (II)		156,806.46	179,314.61
Profit/(loss) before tax		1,439.47	(1,149.64)
Tax Expense:			
Current tax (MAT)		301.41	-
MAT credit entitlement		(301.41)	-
Taxation for earlier years		2.12	34.31
Deferred tax		477.63	(374.58)
Total tax expense		479.75	(340.27)
Net profit/(loss) after tax		959.72	(809.37)
Earnings Per Share (EPS) in Rupees			
-Basic	29	3.12	(3.30)
-Diluted	29	3.12	(3.30)

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for AMOD AGRAWAL & ASSOCIATES
 Firm Registration No. 005780N
 Chartered Accountants

for and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

AMOD AGRAWAL
 Partner
Membership No. 84175

MADHU SUDHAN BHAGERIA
 Vice Chairman & Managing Director

S.C. PARIJA
 Independent Director

R.P. GUPTA
 Chief Financial Officer

RAMAN KUMAR JHA
 Company Secretary

Place : New Delhi
 Date : May 04, 2015

**FILATEX INDIA LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015****(Rs. in Lacs)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash flow from operating activities		
Net profit / (loss) before tax	1,439.47	(1,149.64)
Adjustments for:		
Depreciation/amortization	2,057.48	2,593.04
Loss/(profit) on fixed assets sold/discarded (net)	11.49	(361.44)
Unrealised foreign exchange Loss/ (profit) (net)	51.50	(363.00)
Interest expense	3,575.75	2,278.05
Bad Debts Written off	619.84	-
Sundry Balances Written Back	(23.57)	(22.93)
Interest income	(968.24)	(829.40)
Dividend income	(1.46)	(34.47)
Operating profit before working capital changes	6,762.26	2,110.21
Movements in working capital :		
Decrease/ (increase) in trade receivables	5,900.48	(7,700.34)
Decrease/ (increase) loans and advances/other current assets	2,493.55	(1,166.65)
Decrease/ (increase) in inventories	(5,175.75)	2,364.59
Increase / (decrease) in trade & other payable / provisions	(7,876.81)	949.77
Cash generated from operations	2,103.73	(3,442.42)
Direct taxes paid	(359.70)	(147.01)
Net cash flow from operating activities (a)	1,744.03	(3,589.43)
Cash Flow from investing activities		
Purchase of fixed assets	(1,321.26)	(4,118.78)
Sale of fixed assets	18.40	1,332.38
Advance received against sale of assets	-	860.48
(Increase)/Decrease in deposits	1,485.88	(1,485.02)
Interest received	968.24	829.40
Dividend received	1.46	34.47
Net cash flow from/(used in) investing activities (b)	1,152.72	(2,547.07)

**FILATEX INDIA LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015****(Rs. in Lacs)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash Flow from financing activities		
Proceeds from issuance of share capital and convertible warrants	705.00	1,295.00
Proceeds from long-term borrowings from banks	6,389.14	13,041.17
Proceeds from long-term borrowings from others	1,350.00	4,725.00
Repayment of long term borrowings	(4,342.07)	(3,046.18)
Repayment of long term borrowings (Buyers Credit)	(6,300.58)	(8,404.65)
Net Proceeds from short-term borrowings	2,690.51	(4,503.14)
Interest paid	(3,575.75)	(2,278.05)
Net cash flow from/(used in) in financing activities (c)	(3,083.75)	829.15
Net increase/(decrease) in cash and cash equivalents (a + b + c)	(187.00)	(5,307.35)
Cash and cash equivalents at the beginning of the year	251.81	5,559.16
Cash and cash equivalents at the end of the year	64.81	251.81
Components of cash and cash equivalents		
Cash on hand	23.70	21.95
Balance with scheduled Banks :	35.90	224.65
- on deposit account	1,478.85	2,964.73
- unpaid dividend accounts*	5.21	5.21
Cash and Bank Balances	1,543.66	3,216.54
Less : Fixed deposits not considered as cash and cash equivalents		
- Deposits pledge with banks	1,478.85	2,964.73
	64.81	251.81

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

As per our report of even date
for AMOD AGRAWAL & ASSOCIATES
 Firm Registration No. 005780N
 Chartered Accountants

for and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

AMOD AGRAWAL
 Partner
Membership No. 84175

MADHU SUDHAN BHAGERIA
 Vice Chairman & Managing Director

S.C. PARIJA
 Independent Director

R.P. GUPTA
 Chief Financial Officer

RAMAN KUMAR JHA
 Company Secretary

Place : New Delhi
 Date : May 04, 2015

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015****1. Nature of Operation**

Filatex India Limited (hereinafter referred to as “the Company”) is a manufacturer of Polyester Chips, Polyester/ Nylon/Polypropylene Multi & Mono Filament Yarn and Narrow fabrics.

2. Statement of Significant Accounting Policies**a) Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis, except where stated otherwise. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) 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. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs relating to acquisition of fixed assets which take 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.

Subsequent expenditure relating to an item of fixed asset is added back for its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss account for the period during which such expenses are incurred.

- ii) Depreciation has been provided on straight-line method on pro-rata basis at the rates & manner prescribed in Schedule II of the Companies Act, 2013.
- iii) Effective from April 01, 2014 the company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended March 31, 2015, is lower by Rs. 568 lacs. Further based on transitional provision provided in Note 7(b) of Schedule II of the Companies Act, 2013, an amount of Rs.74 lacs (Net of Deferred Tax) has been adjusted with retained earnings.
- iv) Depreciation on the amount of additions made to fixed assets due to upgradation / improvements is provided over the remaining useful life of the asset to which it relates.
- v) Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis.
- vi) Lease hold improvements are amortized over the primary period of lease or useful life, whichever is lower.
- vii) Lease hold Land is amortized on straight line basis over the period of lease.



d) Expenditure incurred during the construction period.

- i) 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.
- ii) 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.

e) Intangibles

Intangible assets, softwares 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.

f) 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 discounting factor.

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

h) Leases

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 statement of Profit & Loss Account on a straight-line basis over the lease term.

i) Foreign Currency Transactions

i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) 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.

In terms of the Notification No.G.S.R. 225(E) dated 31.03.2009 as amended till date issued by the Ministry of Corporate Affairs on Accounting Standard (AS-11) read with Clause 4(e) of AS-16 and Para 46A read with clarification issued by the Ministry of Corporate Affairs vide Circular No.25/2012 dated August 09, 2012 on AS-11 relating to “the effects of changes in Foreign Exchange Rates”, the Company has exercised option to adjust the foreign exchange difference on long term foreign currency loans to the cost of qualifying capital assets.

iv) Forward Exchange Contracts not intended for trading or speculation purposes

The Company obtains 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 an income or as an expense for the year.

j) Inventories

Inventories are valued as follows:

Raw material, consumables and stores & spares:

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 Moving Weighted Average Method.

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.

Waste

At net realizable value which is the estimated selling price in the ordinary course of business, less selling expenses.

k) 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.

l) 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 buyers. Sales are net of return, volume discount, trade discounts & sales tax /VAT including excise duty.

Export Benefits

Export benefits constituting duty drawback, incentives under FPS/FMS and Duty Free Advance License 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.

Dividend Income

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date.



Insurance claims

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

m) 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.

n) 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.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

o) 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.

p) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

q) Contingent Liabilities.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow or resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

r) 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.


3. SHARE CAPITAL
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised		
4,00,00,000 (Previous year 4,00,00,000) Equity Shares of Rs. 10/- each	4,000.00	4,000.00
Total	4,000.00	4,000.00
Issued, subscribed and fully paid-up shares		
3,20,00,000 (previous year 2,82,40,000) Equity Shares of Rs.10/-each fully paid	3,200.00	2,824.00
Total	3,200.00	2,824.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Rs. In Lacs	No of Shares	Rs. In Lacs
At the beginning of the year	28,240,000	2,824.00	24,000,000	2,400
Add : Shares issued during the year	3,760,000	376.00	4,240,000	424
Outstanding at the end of the year	32,000,000	3,200.00	28,240,000	2,824

b. Terms / rights attached to equity shares

1. The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.
2. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Issue of convertible warrants and conversion into equity shares

1. During the previous year the company had allotted 8,000,000 convertible warrants on preferential basis to the promoters and others to be converted at the option of warrant holders in one or more tranches, within 18 months from the date of allotment (i.e September 20, 2013) of warrants into equivalent number of fully paid equity shares of the company of the face value of Rs. 10/- per share at an exercise price of Rs. 25/- per share (including premium of Rs. 15/- per share).
2. The company during the previous year on exercise of option by the warrant holders had converted 4,240,000 convertible warrants into equivalent number of equity share and received Rs. 235.00 lacs as application money being 25% of the issue price from remaining 3,760,000 warrant holders. During the current year it has further received Rs. 705.00 Lacs towards balance amount of 75% of the issue price from the holders of 3,760,000 warrants for which the warrant holders exercised the option to convert them into equity shares. The company issued 3,760,000 equity shares of Rs. 10/- per share at a premium of Rs. 15 per share on preferential basis upon conversion on August 04, 2014. The proceeds of the same have been utilised for the intended purpose of meeting part project cost including over run.

d. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2015	As at March 31, 2014
Madhu Sudhan Bhageria 3,708,360 (previous year 2,462,500) equity shares of Rs.10/- each fully paid	11.59%	8.72%
Azimuth Investments Ltd. 3,125,000 (previous year 3,125,000) equity shares of Rs.10/- each fully paid	9.77%	11.07%
Nouvelle Securities (P) Ltd. 1,989,016 (previous year 1,989,016) equity shares of Rs.10/- each fully paid	6.22%	7.04%
Purrshottam Bhaggeria 4,193,359 (Previous Year 2,080,000) equity shares of Rs. 10/- each fully paid	13.10%	7.37%
Madhav Bhageria 4,230,960 (Previous Year 1,925,100) equity shares of Rs. 10/- each fully paid	13.22%	6.82%


4. Reserve & Surplus
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital Reserve	1,253.11	1,253.11
Capital Redemption Reserve	1,250.00	1,250.00
Securities Premium Reserve		
Balance as per the last financial statement	5,145.30	4,509.30
Add: Premium on securities issued during the year	564.00	636.00
Closing Balance	<u>5,709.30</u>	<u>5,145.30</u>
General Reserve		
Balance as per the last financial statement	424.26	424.26
Less: Adjustment during Transition Period on account of change in Depreciation method	73.83	-
Closing Balance	<u>350.43</u>	<u>424.26</u>
Surplus/(deficit) in the statement of profit & loss		
Balance as per last financial statement	4,310.35	5,119.72
Profit/ (Loss) for the year	959.72	(809.37)
Net surplus in the statement of profit and loss	<u>5,270.07</u>	<u>4,310.35</u>
Total reserves and surplus	<u>13,832.91</u>	<u>12,383.03</u>

5. Long term borrowings
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
From Banks (secured)		
(i) Term Loans		
- Rupee loans	11,483.83	15,764.08
- Foreign currency loans	7,182.31	-
(ii) Vehicle Loans	77.42	80.42
Total	<u>18,743.56</u>	<u>15,844.50</u>
Less : Current maturity (refer note no. 11)	4,200.89	616.94
Net Long Term Borrowings (Banks)	14,542.67	15,227.56
(iii) Buyers credit for capital goods	-	6,300.58
(iv) From a non banking financial institution (secured)		
- Term Loan	67.55	214.54
Less : Current maturity (refer note no. 11)	67.55	146.99
Net Long Term Borrowings (Secured)	-	67.55
(v) From body corporates (unsecured)	7,370.00	6,725.00
Net Long Term Borrowings (Total)	<u>21,912.67</u>	<u>28,320.69</u>

I. Term loans

- a) From banks under consortium arrangement Rs. 17,228.43 lacs (previous Year Rs. 14,184.80 lacs), are secured by first equitable mortgage created by way of deposit of title deeds on pari passu basis in respect of immovable properties, both present and future, and first charge by way of hypothecation of company's all movable assets (save & except inventories, book debts, vehicles, plant & machinery acquired through specific loans). These loans are further secured by second charge by way of hypothecation of inventory of raw material, finished goods, semi-finished goods, stores & spares, book debts and other receivables (both present and future), pledge of 5,472,679 equity shares of the face value of Rs.10/- each of the company held by the promoter group and mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party), personal guarantees of the promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party). These loans bear floating interest rate ranging from Base Rate plus 2.00% - 4.25% p.a. and are repayable in quarterly installments upto March, 2022.



- b) **From State Bank of India** Rs. 1,437.71 lacs (Previous year Rs.1,579.28 lacs) is collaterally secured by mortgage created by way of deposit of title deeds in respect of the immoveable property situated at (i) Ground floor and Third floor of Plot no. 43, New Friends Colony, New Delhi 110025, belonging to promoters group, (ii) pledge of 35 lacs equity shares of the Company having face value of Rs.10/- each held by the promoters group and are further secured by personal guarantee of Promoter Directors and the property owners. The loan is repayable in 8 structured quarterly installments starting from December, 2014 and is presently fully converted to Foreign Currency Loan with ROI @ 6M Libor + 4.50% P.A
- II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. The said loans carry interest rate which varies from 9.20% to 13.00% repayables in 36 - 60 monthly installments.
- III. **Buyers' Credit for capital goods** amounting to Rs. Nil (Previous Year Rs. 6,300.58 lacs) secured by Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks.
- IV. **From a non banking financial institution** of Rs. 67.55 lacs (previous year Rs. 214.54 lacs) and is secured by way of first and exclusive charge over specific plant & machinery acquired from the loan and personal guarantees of two promotor directors. The loan carries interest rate of 14% p.a. and repayable in 36 monthly installments from October, 2012.
- V. **Unsecured Loans** - From body corporates carry interest @ 9% - 11% p.a. and are payable after one & a half year to three years from the date of receipt.

6. Deferred tax liability

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	4,402.72	3,870.63
Gross deferred tax liability	4,402.72	3,870.63
Deferred tax assets		
Effect of expenditure debited to profit & loss statement but allowable in subsequent period for tax purposes in the following years"	182.56	145.55
Effect of carried forward losses	2,515.82	2,498.37
Gross deferred tax asset	2,698.38	2,643.92
Net deferred tax liability / (assets)	1,704.34	1,226.71
Deferred Tax Adjustment during Transition Period on Depreciation as per revised schedule II	35.46	-
Net deferred tax liability / (assets) as on date	1,668.88	1,226.71
Net deferred tax Expense / (Income) for the year	477.63	(374.58)

7. Other long term liabilities

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Dealer's Deposits Held	310.00	-
Deposits against vehicle	21.09	19.51
Total Other Long Term Liabilities	331.09	19.51


8. Long term provisions
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Gratuity	228.51	162.01
Provision for Leave Eneashment	140.89	108.81
Total Long Term Provisions	369.40	270.82

9. Short term borrowings
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
From Banks (Secured)		
(i) Working Capital :		
- Rupee loans	4,500.80	3,613.95
- Foreign currency loans	3,018.36	-
(ii) Buyer's credit for raw material	8,033.94	9,330.18
(iii) Bills discounting	210.03	128.48
Total short term borrowings	15,763.13	13,072.61

I. Working Capital :

Loans from consortium member banks are secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and are further secured by way of second charge on block of fixed assets of the company except vehicles and plant & machinery acquired out of specific loan (s). These are further secured by pledge of 5,472,679 equity shares of the face value of Rs.10/- each of the company held by promoter group, mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at Base rate plus 2.75% to 3.75% and Foreign currency working capital loan carry an interest at 6M libor + 4.50% P.A.

- II. Buyers' Credit for raw material are secured by LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facility is sanctioned to the Company as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) further secured by way of second charge in respect of entire block of fixed assets of the company except vehicles and specific plant & machinery acquired out of specific loan (s). These are further secured by pledge of 5,472,679 lacs equity shares of the face value of Rs.10/- each of the company held by promoter group, mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) on pari passu basis. The loan bears floating interest @ 3M Libor plus 0.29% - 0.41% p.a.

10. Trade payable
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payable		
Dues of other than micro, small & medium enterprises		
- Acceptances - Foreign	6,045.84	13,398.49
- Acceptances - Domestic	1,449.44	-
- Others	839.28	1,061.34
Dues of micro, small & medium enterprises	31.00	58.56
Total trade payable	8,365.56	14,518.39


11. Other current liabilities
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturity of long term borrowings		
From Banks (secured)		
(i) Term Loans		
- Rupee loans	3,081.39	561.50
- Foreign currency loans	1,087.62	-
(ii) Vehicle Loans	31.88	55.44
From a Non Banking Financial Institution (secured)		
- Rupee loans	67.55	146.99
Interest accrued but not due on borrowings	79.58	180.40
Dealer's Deposit	138.51	150.14
Advance received from customers	54.43	323.14
Advance received against sale of asset	-	860.48
Unpaid dividend	5.21	5.21
(To be transferred to Investor Education & Protection Fund as and when due)		
Dues to statutory authorities	238.05	266.35
Expense payable	552.08	911.05
Payable other than trade	791.07	1,289.14
Total other current liabilities	6,127.37	4,749.84

12. Short term provisions
(Rs. in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Gratuity	41.08	32.82
Provision for Leave Encashment	33.95	28.56
Provision for wealth tax	1.59	1.27
Total short term provisions	76.62	62.65

13. Fixed assets
(Rs. in Lacs)

Description	Gross block				Accumulated Depreciation / Amortisation				Net Block	
	April 1, 2014	Additions	Deduction / Adjustments	March 31, 2015	April 1, 2014	Current year	Deduction / Adjustments @	March 31, 2015	March 31, 2015	March 31, 2014
Tangible Assets :										
Land (Free Hold)	731.52	-	-	731.52	-	-	-	-	731.52	731.52
Land (Lease Hold)	1,779.63	-	-	1,779.63	54.62	17.15	-	71.77	1,707.86	1,725.01
Building Factory	6,965.39	55.75	-	7,021.14	840.98	233.01	-	1,073.99	5,947.15	6,124.41
Building Non Factory	1,560.99	391.59	-	1,952.58	168.84	85.57	(9.73)	264.14	1,688.44	1,392.15
Plant & Machinery ** #	41,865.72	539.53	118.46	42,286.79	12,504.24	1,587.88	52.67	14,039.45	28,247.34	29,361.48
Furniture & Fittings	203.29	18.17	-	221.46	116.27	12.28	(6.10)	134.65	86.81	87.02
Vehicles #	439.61	84.66	34.67	489.60	160.65	52.21	15.89	196.97	292.63	278.96
Office Equipments	182.12	37.02	-	219.14	61.61	32.97	(33.44)	128.02	91.12	120.51
Computer	116.72	17.99	0.07	134.64	76.82	24.72	(5.28)	106.82	27.82	39.90
Total	53,844.99	1,144.71	153.20	54,836.50	13,984.03	2,045.79	14.01	16,015.81	38,820.69	39,860.96
Intangible Assets :										
Softwares	56.32	0.40	-	56.72	37.18	11.69	-	48.87	7.85	19.13
Total	53,901.31	1,145.11	153.20	54,893.23	14,021.21	2,057.48	14.01	16,064.68	38,828.54	39,880.09
Capital Work in Progress (Building and Plant & Machinery)	59.43	202.45	26.30	235.58	-	-	-	-	235.58	59.43
Grand Total	53,960.74	1,347.56	179.50	55,128.81	14,021.21	2,057.48	14.01	16,064.68	39,064.12	39,939.52
Previous Year	52,236.24	4,503.65	2,779.16	53,960.74	11,961.15	2,593.04	532.98	14,021.21	39,939.52	40,275.09

- # Includes vehicles taken on hire purchase amounting to Rs. 124.71 lacs (previous year Rs. 196.60 lacs) and plant & machinery taken on hire purchase amounting to Rs. 85.11 lacs (previous year Rs.102.73 lacs)
- ** Plant & Machinery i) Includes cost of Rs.342.93 lacs (previous year Rs.342.93 lacs) of water supply connection from GIDC and Rs. 101.00 lacs (Previous Year Rs. 101.00 lacs) being cost of electricity transmission lines not owned by the company.
- ii) Sale/deletion of plant & machinery of Dadra unit include Rs. NIL (previous year Rs. 360.70 lacs) net of accumulated depreciation, damaged under fire and Rs. NIL (previous year 916.31) net of accumulated depreciation for Gas based Gensets being assets held for sale. It also includes liability written back against plant & machinery at Dahej unit for Rs. NIL (previous year Rs. 462.15).



- iii) In terms of the Notification No.G.S.R. 225(E) dated March 31, 2009 as amended till date by the Ministry of Corporate Affairs (MCA) on Accounting Standard (AS-11), the Company had exercised option to adjust the foreign exchange difference on long term foreign currency loans (including foreign currency loans obtained under buyers credit with maturity of less than one year and considered as long term liabilities, as the same are to be rolled over for a period of three years from the date of origination) to the cost of qualifying capital assets (plant & machinery). Accordingly, the company has added Rs. 17.82 lacs for the year ended March 31, 2015 (previous year Rs. 1996.66 lacs) on account of foreign exchange difference to the cost of qualifying assets (plant & machinery).
- iv) @ Includes transitional provision depreciation upto 31.03.2014 Rs. 109.29 lacs
- v) Capital Work in Progress (CWIP) includes preoperative expenses of Rs. 66.37 lacs (Previous Year Rs. NIL)

14. Non-current investments

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Quoted, Non Trade		
Investment in equity instruments		
4,600 (Previous year - 4,600) equity shares of Rs. 10/- each fully paid-up in BSI Industries Ltd.	-	4.90
5,000 (Previous year - 5,000) equity shares of Rs. 10/- each fully paid-up in Cavalet India Ltd.	-	1.79
4,500 (Previous year - 4,500) equity shares of Rs. 10/- each fully paid-up in Montana International Ltd.	-	1.17
50 (Previous year - 5 Equity shares of Rs. 10/- each) equity shares of Rs. 1/- each fully paid-up in Tata Coffee Ltd.	0.03	0.03
Less : Aggregate provision for diminution in the value of quoted investments	-	(7.86)
Aggregate amount of quoted investments		
[Market Value Rs. 0.05 Lacs (Previous Year Rs. 0.05 Lacs)]	<u>0.03</u>	<u>0.03</u>

15. Long term loans & advances

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Capital Advances	1,203.35	175.81
Deposit with excise/sales tax department Under Protest	23.07	26.55
Income Tax recoverable (Net of Provision)	188.60	132.11
MAT Credit entitlement	377.50	76.09
Prepaid expenses	-	4.30
Total long term loans & advances	<u>1,792.52</u>	<u>414.86</u>

16. Other non - current assets

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Security Deposits	83.37	102.72
Fixed Deposits (Refer note no. 19)	0.25	20.75
Interest Receivable	-	0.38
Electricity Duty refundable	-	66.02
Others	-	123.33
Total other non - current assets	<u>83.62</u>	<u>313.20</u>


17. Inventories (at lower of cost or net reliasable value)

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Raw Materials (includes Inventory in Transit Rs. 3940.16 lacs, previous year Rs. 682.48 lacs)	6,969.39	2,724.51
Work In Progress	440.81	438.28
Finished Goods	3,156.35	2,350.18
Stock-in-Trade	11.60	77.59
Packing Material	473.09	395.51
Stores, Spares & Consumables	800.50	689.92
Total inventories	11,851.74	6,675.99

18. Trade receivables

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	719.93	813.54
Other Receivables		
Unsecured, Considered Good	14,189.73	20,623.56
Total Receivables	14,909.66	21,437.10

19. Cash and Bank balances

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Cash on hand	23.70	21.95
Balances with Banks	35.90	224.65
Unpaid dividend a/c *	5.21	5.21
Total (A)	64.81	251.81
Other Bank balances :-		
Short Term Deposits with original maturity of less than 3 months **	0.22	165.24
Deposits with original maturity for more than 3 months but upto 12 months **	1,458.13	2,230.04
Deposits with original maturity of more than 12 months **	20.75	590.20
Total (B)	1,479.10	2,985.48
Less : Amount disclosed under non current assets	0.25	20.75
Total cash & cash equivalents (A + B)	1,543.66	3,216.54

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

** Deposits are in the nature of Margin Money pledged with bank against Bank Guarantee given/Letter of Credit/Debt Service Reserve account (DSRA) established by the bank


20. Short term loans & advances

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received		
Advance to suppliers	632.67	743.46
Balance with Excise Department	396.61	1,643.67
Vat Recoverable	0.08	0.17
DEPB in hand	59.84	35.58
Prepaid expenses	97.25	118.55
Advances to employees	34.52	45.62
Other advances	-	5.07
Total short term loans & advances	1,220.97	2,592.12

21. Other current assets

Particulars	(Rs. in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Export incentive receivable	284.72	227.53
Insurance claims receivable	572.00	1,884.36
Interest Receivable	64.00	91.64
Asset held for Sale	-	890.36
Electricity Duty refundable	125.45	-
Others	135.14	-
Total other current assets	1,181.31	3,093.89

22. Revenue from operations

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products	144,142.87	173,327.44
Sale of traded goods	27,761.12	21,151.43
Jobwork	719.23	750.01
Other operating revenue	436.16	578.40
Revenue from operations (gross)	173,059.38	195,807.28
Less : Excise Duty	15,783.15	18,867.62
Revenue from operations (net)	157,276.23	176,939.66

Other operating revenue comprising the following :

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Other operating revenue		
Sales of scrap	278.60	296.19
Export incentives earned	157.56	157.17
Insurance claim under loss of profit policy	-	125.04
Total Other Operating Income	436.16	578.40



FILATEX INDIA LIMITED

22. Revenue from operations (Contd.)

Sale of Products

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Qty (MT)	Value (Rs/lacs)	Qty (MT)	Value (Rs/lacs)
Polyester & polypropylene multifilament yarn	120,132	120,315.24	122,176	135,551.14
Polyester chips	21,706	18,592.47	33,341	32,598.87
Narrow fabrics	1,922	2,829.92	1,897	2,696.88
Polyester, nylon & polypropylene monofilament yarn	604	1,766.51	732	1,863.42
Waste		638.73		617.13
Total		144,142.87		173,327.44

Sale of traded goods

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Qty (MT)	Value (Rs/lacs)	Qty (MT)	Value (Rs/lacs)
Purified terephthalic acid * #	26,094	15,026.69	23,276	14,615.39
Mono ethylene glycol * #	16,218	9,148.43	10,550	6,470.17
Polyester Yarn #	631	632.03	50	65.87
Fabric (Qty in Mtr lacs)	71	2,520.37		
Total		27,327.52		21,151.43

* Sale of traded goods include material sold on high seas basis to the customers who are getting the same converted into polyster chips on job work basis.

Sale of traded goods excludes Excise duty Rs. 433.60 lacs (previous year Nil)

23. Other Income

Particulars	(Rs. in Lacs)	
	For the Year ended March 31, 2015	For the Year Ended March 31, 2014
Interest Income on		
(i) Fixed deposits	192.74	244.69
(ii) Others	775.50	584.71
Dividend on current investment in mutual funds	1.46	34.47
Profit on sale/discarding of fixed assets (Net)	-	361.44
Total other income	969.70	1,225.31

24. Cost of materials consumed

Particulars	(Rs. in Lacs)	
	For the Year ended March 31, 2015	For the Year Ended March 31, 2014
Raw material	106,247.69	131,823.90
Packing Material	2,659.79	2,701.24
Consumables	448.19	231.57
Cost of materials consumed	109,355.67	134,756.71



Purchase of Traded goods

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Qty (MT)	Value (Rs/lacs)	Qty (MT)	Value (Rs/lacs)
Purified terephthalic acid	26,094	15,024.79	23,276	14,489.52
Mono ethylene glycol	16,218	9,192.78	10,550	6,419.52
Polyester Yarn	567	572.71	124	132.90
Fabric (Qty in Mtr lacs)	71	1,597.06	-	-
Total purchase of Traded goods		26,387.34		21,041.94

Details of raw material consumed

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Qty (MT)	Value (Rs/lacs)	Qty (MT)	Value (Rs/lacs)
Purified terephthalic acid	109,268	61,785.53	119,789	82,390.94
Mono ethylene glycol	42,111	24,541.58	46,183	29,391.74
Polyester chips	11,820	8,385.80	9,482	8,849.09
Polypropylene chips	6,041	6,127.70	6,127	6,275.15
Nylon chips	369	780.96	364	758.01
Others	-	4,626.12	-	4,158.97
Total Raw Material Consumed		106,247.69		131,823.90

Inventory of raw materials

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Value (Rs/lacs)	Value (Rs/lacs)
Purified terephthalic acid	2,290.20	665.88
Mono ethylene glycol	3,383.74	894.33
Polypropylene chips	255.25	342.22
Polyester chips	310.66	175.64
Nylon chips	21.58	44.98
Others Raw Material	707.97	601.46
Total	6,969.40	2,724.51

25. (Increase)/ decrease in inventories

Particulars	(Rs. in Lacs)	
	For the Year ended March 31, 2015	For the Year Ended March 31, 2014
Closing stock		
- Finished goods	3,156.35	2,350.17
- Work- In- Progress	440.81	438.28
- Stock in Trade	11.60	77.59
Total	3,608.76	2,866.04
Opening stock		
- Finished goods	2,350.17	3,911.69
- Work- In- Progress	438.28	543.73
- Stock in Trade	77.59	-
Total	2,866.04	4,455.42
- Total (increase)/decrease	<u>(742.72)</u>	<u>1,589.38</u>


Inventory of finished goods

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Qty (MT)	Value (Rs/lacs)	Qty (MT)	Value (Rs/lacs)
Polyester, nylon & polypropylene Multifilament yarn	3,539	2,858.95	1,809	1,972.51
Monofilament yarn	109	154.07	111	210.48
Narrow fabrics	64	70.88	71	86.07
Polyester chips	76	51.08	55	51.67
Waste		21.37		29.44
Total Inventory of Finished Goods		3,156.35		2,350.17

Inventory of work in progress

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Qty (MT)	Value (Rs/lacs)	Qty (MT)	Value (Rs/lacs)
Polyester, nylon & polypropylene Multifilament yarn	364	264.78	209	201.47
Narrow fabrics	131	128.74	133	150.98
Monofilament yarn	25	47.29	31	65.81
Polyester chips	-	-	24	20.02
Total Inventory of Work in Progress		440.81		438.28

Inventory of Stock-in-Trade

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Qty (MT)	Value (Rs/lacs)	Qty (MT)	Value (Rs/lacs)
Polyester Yarn	10	11.60	74	77.59
Total Inventory of Stock-in-Trade		11.60		77.59

26. Employee benefit expense

(Rs. in Lacs)

Particulars	For the Year ended March 31, 2015	For the Year Ended March 31, 2014
Salaries, wages and bonus	3,275.40	2,981.69
Contribution to provident & other funds	114.52	93.84
Gratuity	84.02	24.55
Staff welfare expenses	65.22	74.43
Total	3,539.16	3,174.51

27. Finance Cost

(Rs. in Lacs)

Particulars	For the Year ended March 31, 2015	For the Year Ended March 31, 2014
Interest		
- on term loans	2,577.41	1,195.00
- on working capital & others	998.34	1,083.05
Bank Charges	545.74	703.40
Exchange difference to the extent considered as an adjustment to borrowing costs	-	380.21
Premium on forward contracts	1,238.15	641.36
Total Finance Cost	5,359.64	4,003.02


28. Other expenditure

	(Rs. in Lacs)	
Particulars	For the Year ended March 31, 2015	For the Year Ended March 31, 2014
Manufacturing Expenses		
Consumption of stores and spares	641.74	703.57
Power & Fuel	6,381.06	7,402.44
Increase/(decrease) in excise duty on finished goods inventory	98.69	(171.25)
Total manufacturing Expenses (A)	7,121.49	7,934.76
Selling Expenses		
Market Development Expenses	82.23	96.45
Freight outward	914.60	732.18
Commission on sales	411.04	434.03
Total selling expenses (B)	1,407.87	1,262.66
Administration and other expenses		
Rent	119.01	123.84
Repair & Maintenance - Machinery	140.70	148.13
- Building	114.01	65.87
- Others	76.39	76.19
Insurance	157.43	151.67
Rates & taxes excluding taxes on income	18.83	32.79
Auditor's remuneration	9.98	8.43
Exchange fluctuation (Loss)	406.95	1,633.41
Electricity & Water expenses	37.07	31.29
Printing & stationery	25.11	25.34
Postage, telephone & telegram	44.56	44.31
Travelling & conveyance	190.87	215.53
Vehicle running & maintenance	134.78	111.68
Legal & professional charges	134.86	130.33
Director's sitting fees	2.30	3.90
Security services	37.33	16.75
Expenditure towards Corporate Social Responsibility (refer note 33)	4.68	-
General expenses	40.08	32.44
Donation & charity (Other than Political Parties)	1.16	0.89
Advertisement & publicity	5.04	4.95
Membership & subscription	11.63	6.15
Loss on sale/discarding of fixed assets (Net)	11.49	-
Loss / (profit) on forward exchange contracts	-	117.63
Bad Debts Written Off	619.84	-
Sundry balances written back	(23.57)	(22.93)
Total administrative & other expenses (C)	2,320.53	2,958.59
Total other expenses (A + B + C)	10,849.89	12,156.01

29. Earnings per share (EPS)

Particulars	For the Year ended March 31, 2015	For the Year Ended March 31, 2014
Net profit/(loss) for calculation of basic/diluted EPS (Rs. In Lacs)	959.72	(809.37)
Weighted average number of equity shares for calculating basic & diluted EPS		
- Basic	30,712,329	24,557,589
- Diluted	30,712,329	24,557,589
Basic - in Rs. per share of the face value of Rs. 10/- each	3.12	(3.30)
Diluted - in Rs. per share of the face value of Rs. 10/- each	3.12	(3.30)


30. Contingent liabilities and commitments (to the extent not provided for)

i) Contingent Liabilities

(Rs. In lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
a) Letters of Credits	407.77	2,779.95
b) Unexpired Bank Guarantees	1205.51	645.40
c) Excise / Custom duty (Mainly relating to reversal of cenvat credit of NCCD & valuation of texturised yarns)	1244.19	1,404.67
d) Sales Tax demand	0.80	0.80
e) Income Tax demand on account of :		
- Penalty for the period AY 2001-02 to 2005-06	33.37	33.37
- Additions for AY 2008-09	---	2.20
f) Claims against the company not acknowledged as debts	815.60	251.95
g) Amount of duty saved on import of plant & machinery under EPCG scheme – corresponding export obligation pending Rs. 1005.78 lacs, previous year Rs. 13,497.21 lacs	179.59	1,666.58

ii) Commitments

Capital contracts remaining to be executed (net of payments) and not provided for Rs. 6,351.64 lacs (previous year Rs. 264.40 lacs).

31. In respect of fire at companies POY manufacturing unit at Dadra in Financial Year 2012-13, the company has received claim under fire policy during FY 2013-14 and claim under loss of profit policy amounting to Rs. 536.59 lacs is under consideration of insurer.

32. In terms of the Notification No.G.S.R. 225(E) dated March 31, 2009 as amended till date by the Ministry of Corporate Affairs (MCA) on Accounting Standard (AS-11), the Company had exercised option to adjust the foreign exchange difference on long term foreign currency loans including Foreign Currency Loan obtained under buyers credit with maturity of less than one year and considered as long term liabilities, as the same are to be rolled over for a period of three years from the date of origination) to the cost of qualifying capital assets. Accordingly during the year, the company has added Rs. 17.82 lacs on account of foreign exchange difference to the cost of qualifying assets which are being amortized over the remaining life of such assets upon capitalization.

The company has received letter dated 26th December, 2014 from National Stock Exchange (NSE) advising the company to restate its Financial Statements for the financial year 2012-13 subsequent to the auditors qualification relating to treatment of foreign exchange difference during FY 2012-13. The company has taken up the matter with NSE/SEBI to explain and substantiate the accounting treatment by the company is justified. Considering the companies request the Securities & exchange board of India (SEBI) has informed the company for providing an opportunity of being heard and make submissions/representations before Qualified Audit Review Committee (QARC). As the matter is under consideration of SEBI/QARC, any effect with respect to restated of financial statement for FY 2012-13 will be accounted for on receipt of final decision in the matter.

33. The company has incurred an expenditure of Rs. 4.68 lacs on Education, toilets and providing medical facilities under Corporate Social responsibility during FY 2014-15 & the same has been shown in Other Expenses Schedule No. 28.

34. Statutory Auditor's Remuneration

(Rs. in lacs)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
a) Audit fees	8.00	6.50
b) Tax audit fees	1.50	1.50
c) Out of pocket expenses	0.48	0.43
	9.98	8.43


35. Details of dues to Micro Small & Medium Enterprises Development (MSMED) Act, 2006
(Rs. In lacs)

Description		As at March 31, 2015	As at March 31, 2014
i)	The principal amount & the interest due thereon remaining unpaid at the end of the year		
	Principal Amount	31.00	58.56
	Interest Due thereon	-	-
ii)	Payments made to suppliers beyond the appointed day during the year		
	Principal Amount	-	-
	Interest Due thereon	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with the company.

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

37. Forward Exchange Contracts and Unhedged Foreign Currency Exposure:

i) Forward contract outstanding as at Balance Sheet date.

Particulars of Derivatives	Currency	Year Ended		Purpose
		March 31, 2015	March 31, 2014	
Purchase	USD	16,297,403	---	Repayment of FC Loan
Purchase	USD	12,835,657	15,524,472	Repayment of FCL (Buyer's Credits)
Purchase	USD	500,000	1,518,000	Payment of LC Creditors
Purchase	USD	3,049	15,223	Payment for Interest on FCL (Buyer's Credit)

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

Particulars	Currency	Year Ended		Purpose
		March 31, 2015	March 31, 2014	
Purchase	USD	8,902,753	20,776,990	Payment of Creditors
	JPY	30,942,600	---	
Purchase	USD	---	8,977,733	Payment of FCL (Buyers Credit)
	EURO	---	1,133,130	
Purchase	USD	26,570	---	Payment of Interest on FCL
Sale	USD	481,945	1,505,705	Proceeds from Debtors
	EURO	236,596	---	

iii) Premium for forward contracts for unexpired period of Rs. 364.43 lacs has been carried over to next year (Previous year Rs. 45.77 lacs) and will be charged to Profit & Loss Account as and when the underlying transaction will crystallise.


38. Related Party Disclosure:

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

- a) Key managerial personnel:
 - i) Shri Madhu Sudhan Bhageria
 - ii) Shri Purrshottam Bhaggeria
 - iii) Shri Madhav Bhageria
 - iv) Shri Ashok Chauhan
 - v) Shri Rajendra Prasad Gupta
 - vi) Shri Raman Jha
- b) Relative of key managerial personnel:
 - i) Shri Ram Avtar Bhageria (Father of related parties mentioned at [a](i) to a)(iii) above].
 - ii) Ms. Vrinda Bhageria (Daughter of related party mentioned at a(i) above).
 - iii) Mr Yaduraj Bhageria (Son of related party mentioned at a(ii) above).
 - iv) Mr. Vedansh Bhageria (Son of related party mentioned at a(iii) above).
- c) Enterprises owned or significantly influenced by key managerial personnel:
 - i) Madhu Sudhan Bhageria (HUF)
 - ii) Purrshottam Bhaggeria (HUF)
 - iii) Madhav Bhageria (HUF)
 - iv) Nouvelle Securities Pvt Ltd
 - v) SMC Yarns Pvt Ltd
 - vi) Vrinda Farms Pvt. Ltd.
 - vii) Dahej Energy Pvt. Ltd.
 - viii) Hill Estate Pvt. Ltd.

(ii) Transactions with related parties during the year :

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Rent				
Purrshottam Bhaggeria	6.07 (5.62)			
Ram Avtar Bhageria		12.00 (12.00)		
Vrinda Bhageria		7.92 (7.20)		
Vedansh Bhageria		5.00 (3.60)		
Yaduraj Bhageria		5.00 (3.60)		
Madhusudan Bhageria (HUF)				3.87 (3.60)
Purrshottam Bhaggeria (HUF)				2.84 (3.60)
Madhav Bhageria (HUF)				2.84 (3.60)
Nouvelle Securities (P) Ltd.				9.68 (9.00)
Vrinda Farms Private Limited				1.80 (--)
Hill Estate (P) Ltd.				8.85 (8.28)



Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Security Deposit				
Vrinda Farms Private Limited				3.60 (--)
Money received against convertible warrants				
Madhusudan Bhageria	-- (77.87)			
Purrshottam Bhaggeria	-- (78.33)			
Madhav Bhageria	-- (78.80)			
Equity shares issued				
Madhusudan Bhageria	311.46 (302.50)			
Purrshottam Bhaggeria	313.32 (303.75)			
Madhav Bhageria	315.22 (303.75)			
Managerial Remuneration				
Madhusudan Bhageria	47.85 (45.67)			
Purrshottam Bhaggeria	36.52 (33.90)			
Madhav Bhageria	30.18 (26.48)			
Ashok Chauhan	27.15 (3.61)			
Rajendra Prasad Gupta	13.94 (12.73)			
Raman Jha	5.61 (5.18)			
Purchase of Vehicle				
Dahej Energy Pvt Ltd				5.75 (---)
Balance outstanding as on 31.03.2015				
Security Deposit				
Vrinda Farms Private Limited				3.60 (--)
Corporate Guarantee				
SMC Yarns Pvt. Ltd. Value of Guarantee to be limited to realisable value of property or net worth of the company whichever is higher. (Realisable value of the property as per valuation report dated 05.07.2014).				434.70 (317.00)

No amount has been written off or provided for in respect of transactions with related parties. Figures in bracket represent previous year figures.


39. Employee Benefits
a) Provident Fund

Contribution to recognized provident fund

The Company contributed Rs. 99.71 Lacs towards provident fund during the year ended March 31, 2015 (previous year Rs. 81.02 Lacs)

b) Gratuity Plan

The Company has a defined benefit gratuity plan. Gratuity is computed at 15 days salary, for every completed year of service or part thereof in excess of six months and is payable on retirement/ termination/ resignation. The benefit vests on the employees after completion of five years of service. The company makes provisions of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method (PUCM).

The following table summarizes the components of net benefit expenses recognized in the profit and loss account and amount recognized in the balance sheet for gratuity.

(Rs. in Lacs)		
PARTICULARS	Year Ended March 31, 2015	Year Ended March 31, 2014
RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF OBLIGATIONS		
Present value of obligation at the beginning of the year	194.83	174.42
Current Service Cost	42.91	31.71
Past Service Cost	---	---
Interest Cost	17.73	13.95
Benefits paid	(9.25)	(4.13)
Net actuarial (Gain) / Loss recognized in the year	23.38	(21.12)
Present value of obligation at the end of the year	269.59	194.83
RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION & FAIR VALUE OF PLAN ASSETS :		
Present value of obligation at the end of the year	269.59	194.83
Fair value of plan assets at the year end	---	---
Net Liability recognized in the Balance Sheet	269.59	194.83
COST OF THE YEAR :		
Current service cost	42.91	31.71
Past Service Cost	---	---
Interest Cost	17.73	13.95
Net actuarial (Gain) / Loss recognized in the year	23.38	(21.12)
Net cost recognized during the year	84.02	24.54
ASSUMPTION :		
Discount Rate	7.80%	9.10%
Rate of Increase in compensation	8.00%	8.00%

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 four years are as follows:

(Rs. in Lacs)

Description	GRATUITY As at				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation	269.59	194.83	174.42	136.96	109.71
Plan Assets	---	---	--	--	--
Deficit	269.59	194.83	174.42	136.96	109.71
Experience adjustments on plan liabilities (Loss)/Gain	(3.84)	8.22	0.98	(6.33)	14.29
Experience adjustments on plan assets	--	--	--	--	--

40. The company has taken various residential, office and warehouse premises under operating lease agreements. These are generally cancelable and are renewable by mutual agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases. The company has paid Rs. 119.01 lacs (previous year Rs. 123.84 lacs) towards operating lease rentals.

41. Particulars in respect of goods dealt with by the Company:

a) Value of imported and indigenous raw materials consumed

(Rs. in Lacs)

Description		Year Ended March 31, 2015	Percentage (%)	Year Ended March 31, 2014	Percentage (%)
i) Raw Materials	- Imported	32,290.95	30.39	59,698.33	45.29
	- Indigenous	73,956.74	69.61	72,125.57	54.71
		106,247.69	100.00	131,823.90	100.00
ii) Consumable/ Spares	- Imported	95.95	8.80	19.64	2.10
	- Indigenous	993.98	91.20	915.50	97.90
		1,089.93	100.00	935.14	100.00

b) Value of Imports on CIF Basis

(Rs. in Lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
i) Raw Materials (Including Goods in Transit)	57,046.03	70,072.51
ii) Capital Goods	---	124.90
iii) Consumable/Spares	193.82	134.08

c) Expenditure in Foreign Currency

(Rs. in Lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
i) Foreign Travel	53.02	31.94
ii) Commission on exports	62.08	40.07
iii) Foreign Bank Charges	8.76	6.11
iv) Interest on Buyer's Credit/ FCTL	193.68	337.45



FILATEX INDIA LIMITED

41. Particulars in respect of goods dealt with by the Company (Contd.)

d) Earnings in Foreign Exchange

(Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2015	Year Ended March 31, 2014
FOB Value of Export of Goods (excluding deemed exports)	5,884.15	5,912.27

42. Figures have been rounded off to rupees in lacs and previous year figures have been regrouped / rearranged to the extent necessary to correspond with the figures for the current year.

As per our report of even date
for **AMOD AGRAWAL & ASSOCIATES**
Firm Registration No. 005780N
Chartered Accountants

for and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

AMOD AGRAWAL
Partner
Membership No. 84175

MADHU SUDHAN BHAGERIA
Vice Chairman & Managing Director

S.C. PARIJA
Independent Director

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Place : New Delhi
Date : May 04, 2015



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