FILATEX INDIA LIMITED

CIN No.L17119DN1990PLC000091

FIL/SE/2017-18/31
11th October, 2017

National Stock Exchange of India Limited
Listing Department
5th Floor, Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051

The Bombay Stock Exchange Limited
25th Floor, Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Dear Sir,

Please find enclosed the Annual Report of the Company for the financial year 2016-2017 sent to the Shareholders.

Thanking You,

Yours Faithfully,
For FILATEX INDIA LIMITED

Ramgi

COMPANY SECRETARY

Encl.: a/a

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Bhageria House
43 Community Centre
New Friends Colony
New Delhi - 110025, India
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F +91.11.26849915
E fildelhi@filatex.com

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Success follows diligent planning



Filatex India Limited
Annual report 2016-17

Inside front cover
Caution regarding forward-looking statements
This document contains statements about expected future events and financial and operating results of Filatex India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Filatex India Limited annual report 2016-17.

Contents

Our Founder & Chairman ---------- 1
Corporate Information ---------- 2
Success doesn't just happen, it is planned for ---------- 3
Corporate Identity ---------- 4
Manufacturing Capacities ---------- 8
Global Market Reach ---------- 9
Chairman & Managing Director's message ---------- 10
This is how we have grown over the years ---------- 12
Our commitment ---------- 13
Filatex. Raising the bar ---------- 14
Filatex is transforming faster than ever ---------- 16
Industry positioning ---------- 18
Board of Directors ---------- 22
Notice ---------- 25
Directors' Report ---------- 30
Corporate Governance Report ---------- 37
Management's Discussion and Analysis ---------- 50
Standalone Financial Statement ---------- 69
Consolidated Financial Statement ---------- 110

PERFORMANCE SNAPSHOT 2016-17

Revenues (Rs./crore)	EBIDTA (Rs./crore)	PAT (Rs./crore)
1,550.6	132.8	41.2
1,278.2 in 2015-16	87.5 in 2015-16	26.3 in 2015-16

EPS (Rs. per share)	EBIDTA margin (%)	PAT margin (%)
10.4	8.6	2.7
8.19 in 2015-16	6.8% in 2015-16	2.1% in 2015-16





Our Founder & Chairman
Shri Ram Avtar Bhageria

Our Founder & Chairman Sh. Ram Avtar Bhageria popularly known as "Babuji" in staff and family circles was an ordinary man, who went on to achieve extra ordinary things in life. Hailing from a small town – "Chirawa", Jhunjhunu Distt., Rajasthan, he moved to capital city of Delhi. He had completed his graduation – a rare thing in those days, from Shri Ram College of Commerce. As was the norm those days, he got married in the year 1952. He had, in his genes, a flair for business. In spite of meager family means, he did not opt for a job. To fulfill his ambitions, he started a small unit to manufacture socks in the year 1954.

Those days, the yarns for the socks were imported. It was only in 1962 that Nylon 6 production was set up by an Indian Company. He sensed an opportunity. His intimate knowledge of different type of yarns and its weaving possibilities led him to become a prominent trader. Soon his business expanded in and around Delhi... North India. In a few years, he became a prime dealer of synthetic yarns for several companies like J.K. Synthetics, JCT, Modipon etc. After establishing his business firmly in and around Delhi, he opened up an operation in Surat also which was emerging as a textile hub.

As his children grew up and completed their education, he was emboldened enough to make a foray into manufacturing. He set up a small plant at Noida, UP to manufacture Nylon and Polyester Yarn in the year 1994. Soon another plant was set up at Dadra. This plant gradually expanded from 15 TPD to now 130 TPD. Next venture that followed was at Dahej, Gujarat where a modern state of art Yarn facility with continuous polymerization was set up. So, during his life time, starting from scratch, with fierce ambition, vision and courage he created a company with turnover around Rs.1500 crore and employing around 1700 people.

He was a self-made man. One of the most beautiful things of his life was that he left behind no regrets. He did all that he wanted to do and left nothing unsaid to all those he loved. In his business life, he was a brilliant, shining star perhaps the best among the peers. His knowledge, focus, work ethics, magnetic personality and a sense of fair play were extraordinary.

He had instinct to smell opportunity and translated into business propositions. His ability to learn, to adapt, to change and to always try to do the best was admirable. He was simply an exceptional human being. His journey of five decades was arduous but adventurous and successful.

During his life time, he found enough time, energy and resources for philanthropic activities. A trust was set up to provide financial support to poor and meritorious children in the native town/village. He was a good sportsman and had a special liking for tennis. He had been the president of many prestigious clubs and RWAs.

He lived and enjoyed life in all aspects. His determination, sense of fair play and values will continue to guide us in years to come.

Corporate Information

BOARD OF DIRECTORS

Mr. Madhu Sudhan Bhageria
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

CHIEF FINANCIAL OFFICER

Mr. R.P. Gupta

COMPANY SECRETARY

Mr. Raman Kumar Jha

BANKERS

Union Bank of India
Punjab National Bank
Oriental Bank of Commerce

AUDITORS

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

CORPORATE OFFICE

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

REGISTERED OFFICE

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Dadra - 396 191
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Fax: 260-2668344
Email: fildadra@filatex.com
Website: filatex.com
CIN: L17119DN1990PLC000091

WORKS

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

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

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

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area,
Phase-I, New Delhi- 110020
Tel : 011-41406148
Fax : 011-41709881
Email: admin@mcsregistrars.com



Success doesn't just happen, it is planned for.

At Filatex, the success in all these years came through diligent planning and clinical execution.

- Enhancing product range
- Adding higher margin products.
- Improving capacity utilization
- Consistency in product quality

The result of these was visible in our profit growth in FY2016-17.

While the Polyester Filament Industry (PFY) grew about 8% in FY2016-17, Filatex strengthened its revenues by 21%; profit after tax increased 57%.



Corporate Identity

Filatex India Limited has established a respectable position in Polyester Filament Yarn industry in India.

The company is manufacturing an increasing proportion of value added yarns with versatile applications

The company is balancing its product portfolio and de-bottle necking its capacity to enhance margins.

The company's success is derived from astute capital investments and prudent financial management.



Background

Filatex India Limited was promoted by the Bhageria family hailing from Rajasthan. The company, incorporated in 1990, has been in the business of manufacturing synthetic yarns for more than two decades.

Our management

The company is managed by experienced, qualified professional. The promoters leading the professionals and steering the business are Madhu Sudhan Bhageria, the CMD, Purrshottam Bhaggeria and Madhav Bhageria, both JMD supported by Ashok Chauhan, Whole Time Director.

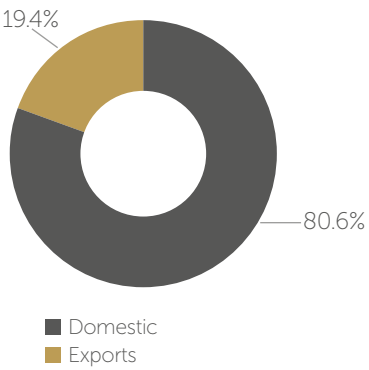
Our locations

The Company has its corporate office in New Delhi with manufacturing units in Dadra, Dahej and Noida. It has marketing offices in Surat and Mumbai.

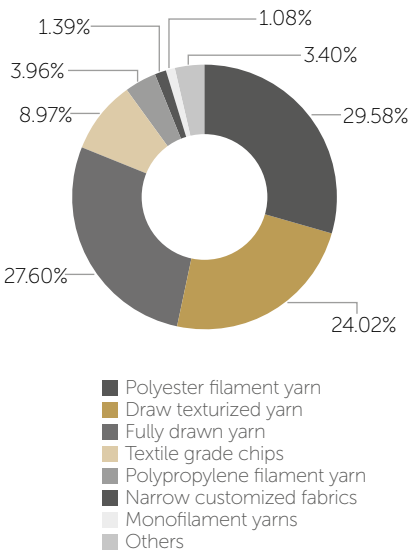
Our listing

The company is listed both on the Bombay Stock Exchange and National Stock Exchange.

NET REVENUE BY GEOGRAPHY, FY2016-17

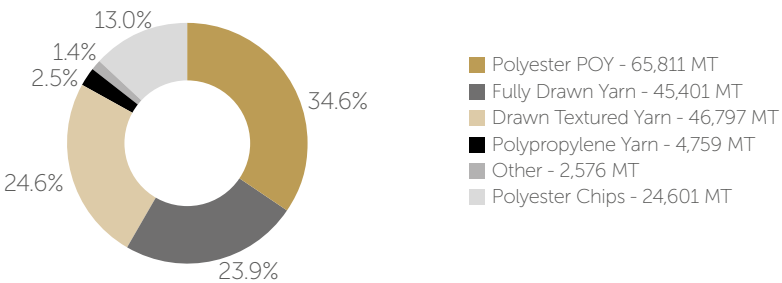


REVENUE BY PRODUCT, FY2016-17



PRODUCTION SPLIT BY VOLUME – FY2016-17

Total production volume for FY2016-17 - 189,945 Metric Tonnes



Certifications



Standard 100 by Oeko-Tex



ISO 9001 2008



ISO 14001 2004



ISO OHSAS 18801 2007

Snapshot FY2016-17

Promoters' Group holding (March 31, 2017)

57.99%

Public holding (March 31, 2017)

42.01%

Market capitalisation (Rs./crore) (March 31, 2017)

523.31

Enterprise value (Rs./crore) (March 31, 2017)

959.52

Value creation journey so far

Transition Manufacturing

1.0

1990 - 1995

Noida Plant

- A pioneer in manufacturing of Monofilament yarns in the Indian markets
- Capacity of 500 MT p.a. to manufacture Polyester, nylon and polypropylene monofilament yarns from chips

Product Diversification

2.0

1996 - 2011

Dadra Plant

- Diversified into Polyester POY and Textured Yarn
- Polypropylene Multi filament Dope Dyed Yarns
- Fully Drawn Yarns (FDY)
- Texturizing Machines
- Narrow Woven Fabric Looms

Our products





Polyester Partially Oriented Yarns (POY): Intermediate product, post Texturizing used for producing all kinds of Fabrics.



Drawn Textured Yarn (DTY): Produced by processing POY through a texturing process. Immediate products used for manufacturing Fabrics.



Polypropylene Multifilament Crimp Yarns: Different shades and deniers, the range being used for Socks, Under Garments and Sports Wear.



Monofilament Yarns: Superior technology from Reifenhäuser GmbH, Germany. Used in zippers, fishing nets, sports strings, magic fasteners etc.



Fully Drawn Yarns (FDY): Type of Fully drawn polyester filament yarn which is used for producing all kinds of Fabrics.



Polyester Chips: Industrial intermediate product used to manufacture Polyester Yarn.



Narrow Woven Fabric: Used in manufacture of Carpets, Rugs, Tapes and Ribbons.

Backward Integration

3.0
2012-2015

Dahej Plant

- Fully Integrated – From Raw Material to Finished Products
- Poly-Condensation plant envisaging 600 TPD and 250 TPD POY and 350 TPD of Polyester Chips

Forward Integration

4.0
2016

Dahej Plant

- Commenced production of 115 TPD of FDY
- Added 42 Texturizing Machines to improve Product Mix (Key input for DTY is POY)
- Commenced production of 200 TPD in Sep 2016

Manufacturing Capacities



Capacity increased
from
500 MTPA
to
237,000 MTPA

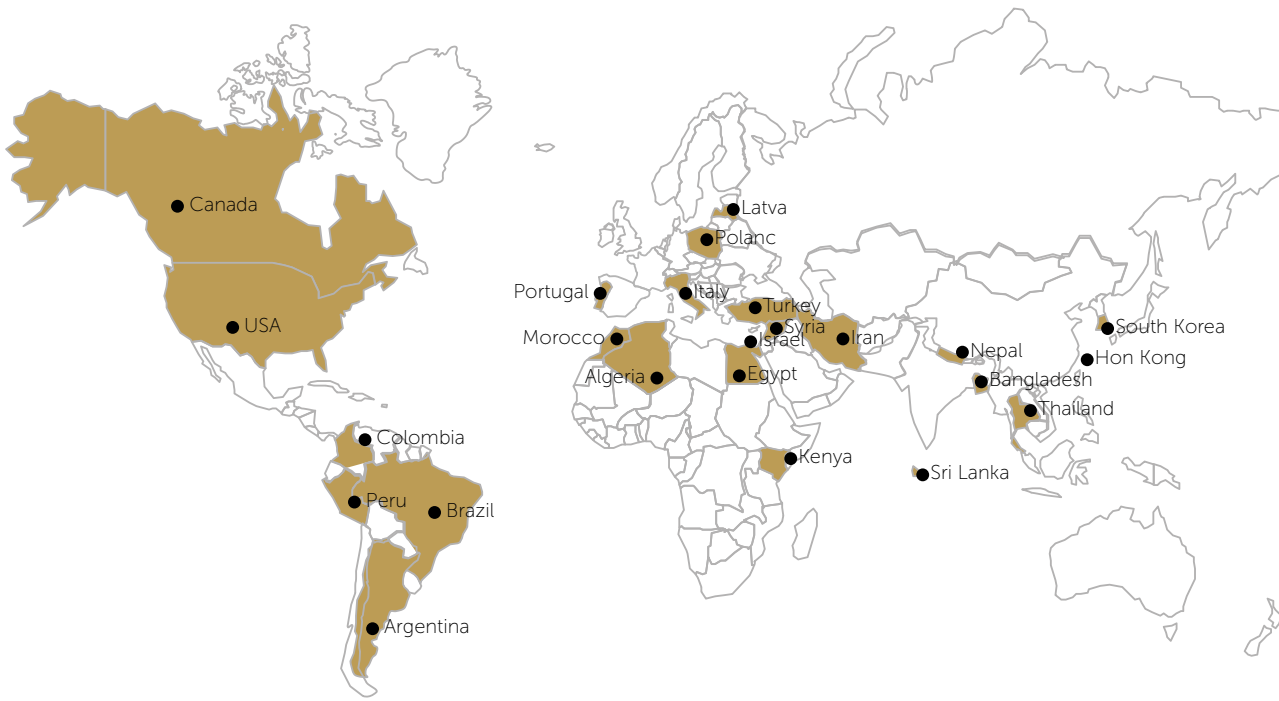
Capacity Break-up (Plant Wise)

Particulars	Existing Capacity (MTPA)		
	Noida	Dadra	Dahej
Monofilament Yarn	500	-	-
Narrow Woven Fabric	-	2,500	-
Semi Dull Polyester POY*	-	15,600	20,000
Semi Dull Drawn Textured Yarn*	-	6,000	68,000
Semi Dull Polyester Chips	-	-	64,000
Semi Dull Fully Drawn Yarn	-	-	41,000
Bright Fully Drawn Yarn	-	11,500	-
Polypropylene Yarn	-	7,500	-
Total	**500**	**43,100**	**193,400**

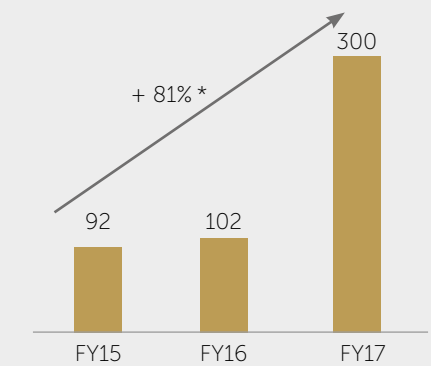
Global Market Reach

Over 50% of DTY production are exported

Exports contributed 19% to overall Revenues as on FY17



Exports – Rs. Crs



* CAGR

Exporting to 28 countries across the Globe



Dear Shareholders,

It is a privilege to present the annual review of performance of the company for FY2016-17. I am pleased to inform that the company has performed well and in spite of a challenging year, we have achieved a profitable growth. The company has reported a revenue of Rs 1,550.6 Cr, a growth of 21% Y-o-Y basis. EBIDTA of Rs 132.8 Cr registered an increase of 52% YoY basis. The positive divergence between revenue growth and profit growth indicates the robustness of company's business model and competitive position.

The growth in our numbers extended into our financial ratios. The Company reported an increase of 1.8% in EBIDTA margin to 8.6% and 0.60% increase in PAT margin to 2.7%.

We believe success does not just happen. It has to be diligently planned for. This is our mantra, our buzz word. Diligent planning, well within our resources, gives us the courage to strategize our growth plans.

This improvement is a result of well-conceived and equally well executed plans. Our strategy of adding value added products has given strength both to top line and the bottom line. During the year FY2016-17, the overall polymer production increased by around 24% on YoY basis. The increase in polymer production was on account of full utilization in FDY & POY lines. Both POY & FDY lines were run at almost 100% capacity. To add value to POY, new DTY machines were commissioned in second quarter. DTY machines have achieved 90% capacity utilization and a major part of DTY production is being exported. The demand for POY/DTY in domestic market was good and a judicious product mix was kept to serve both domestic and export market.

Let me add that today not only us, but other Indian companies are also cost and quality competitive as compared to China, specially, in DTY segment as this process is rather labour intensive. The labour costs in China are three and a half times the India cost. So this has given Indian Companies an opportunity to make inroads into global markets. Last year we exported around 39,083 MTs which in terms of value is around Rs. 300 crores. A large export volume firms up the domestic demand as well as prices which augers well for domestic manufacturers.

Future Growth Plan

The company had planned to add Bright Polymerisation facility, as bright yarn is gaining increasing acceptance in non-apparel application as well. This too is a brown field project, a logical expansion at the same site. Our total capacity of polymer will increase by 300 TPD, which would be in addition to 600 TPD semi dull polymer.

The company has achieved "Financial Closure" for funding the project. After completing Basic engineering & design, the procurement activities and civil construction work are in full swing. All long delivery items and critical equipment have been ordered. The deliveries would start coming from September onwards. Fabrication and Erection contractors are also at site. The structural and fabrication work has already been started. The company plans to achieve completion in a phased manner beginning from end of Jan 2018 and full completion by the end of March 2018.

After commissioning of the bright polymer facility, the company will have a full range of product basket of filament yarn – POY, DTY & FDY both in semi-dull & bright segment in all varieties of coarse and fine deniers. The facilities at Dadra plant be utilized to produce colour yarns, special yarns made from own /bought out chips, customized to its customer needs.

Realigning Our Priorities.

As our daily volumes will go up, we have focused on improving our packaging, warehousing and material handling capabilities. Intensive training modules have been prepared to train workers and supervisors.

Other process and manufacturing systems are well established, robust and safety compliant. Our teams review the same and keep doing fine tuning. We value employee safety and strive for "Zero Accident" work environment. With equal zeal, we follow compliance to all environmental protection codes and regulations.

Another pleasant aspect which I must add is the distinct change in the culture of the company. We have grown from "Hand on" management to professional management. The company values it's "human resources" as a critical factor for its success and values it as precious, if not more, as the state of art technology. Alongwith professional management, next generation of the well-educated and qualified family members have also stepped in and are working their way up ..... bottoms up approach.

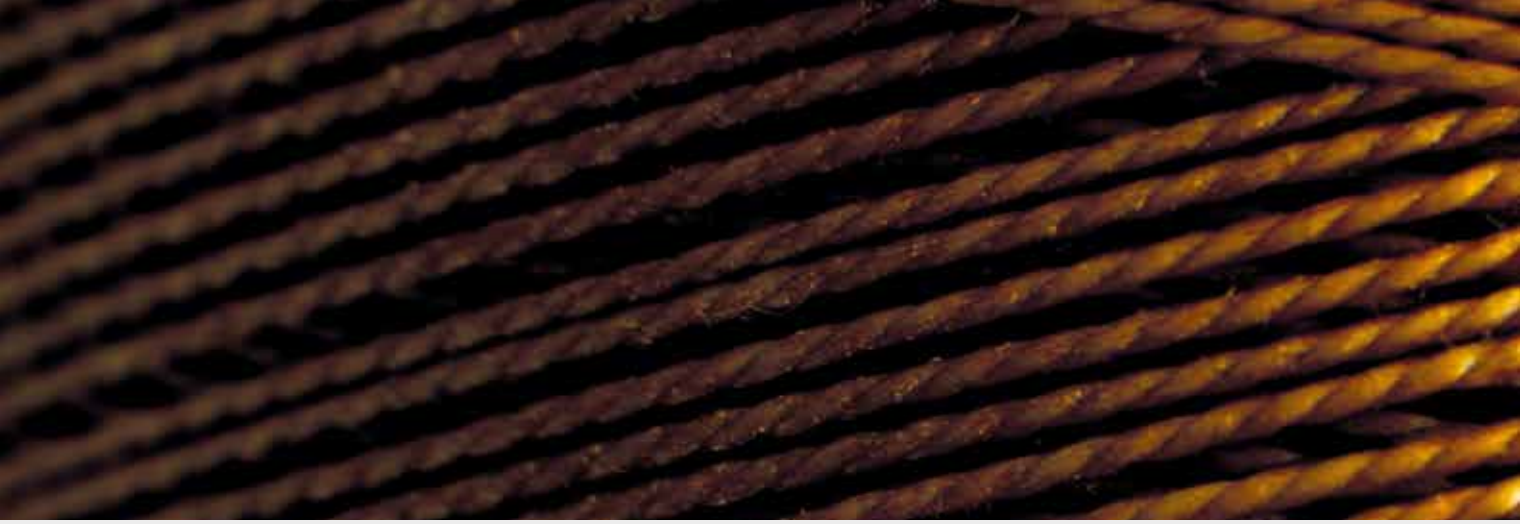
On the strength of its well established systems, the Company has been accredited with ISO 9001:2008 BS OSHAS 18001:2007 and ISO 140001:2004. Our products meet the stringent requirements of OKEOTEX which is desirable for global acceptance.

With continued support and co-operation of our long standing customers, dedicated employees, business partners, bankers and all stake holders, we remain committed to the utmost to the future and our efforts will be dedicated to uplift the performance of Indian Textiles in global markets.

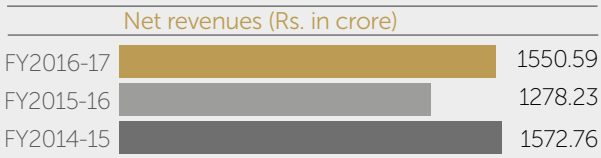
Madhu Sudhan Bhageria
(Chairman & Managing Director)

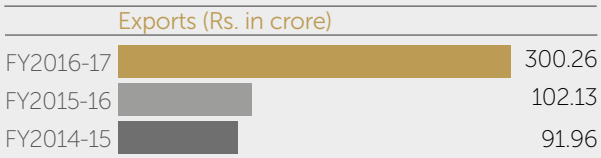
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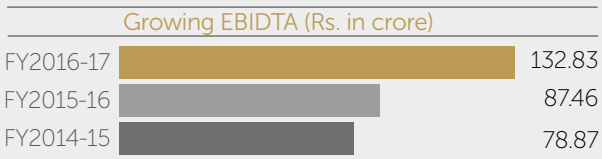


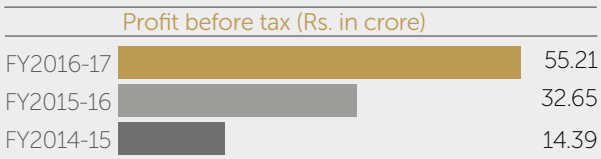


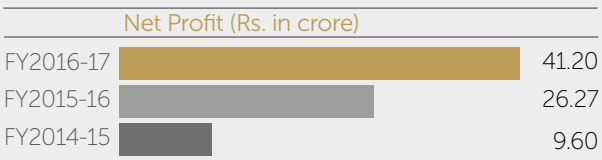
This is how we have grown over the years

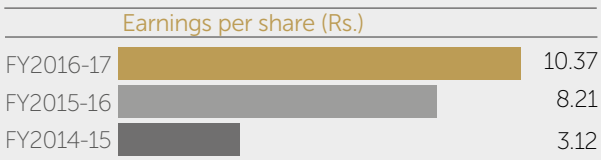


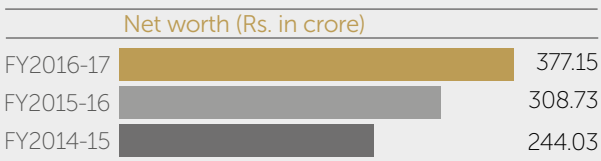


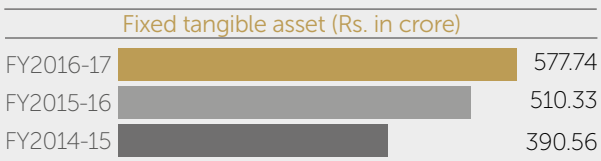
















Our commitment

At Filatex, it will be our endeavor to enhance the company's reputation of customer focus and its ability to create value for its stakeholders.

We are confident that our business strategies and implementation effrorts will fructify into increase in both revenues and profit.

Target FY 2021-22

- Double the net revenue to Rs. 3,000 crore
- Increase operating margin
- Expected EBIDTA 13-14%

Main contributors

- Increase in share of value-added products
- Utilisation of Polymer capacity to its max
- Balance the product mix between domestic/exports to maintain margin

Intended investments

- Increase automation through ERP
- Recruit, train and retain people
- Facilitate bottom-up idea generation for increased employee motivation

Measuring our performance ambition

- Profitable growth

PAT margin: Grew 0.6% in FY2016-17 – from 2.1% in 2015-16 to 2.7% in FY2016-17

EBIDTA margin: Grew 1.8% in FY2016-17 – from 6.8% in FY2015-16 to 8.6% in FY2016-17

- Consistent value creation

Return on capital employed (returns exclude other income and exceptional items): Grew 3% in FY2016-17 – from 11.1% in FY2015-16 to 14.1% in FY2016-17

- Financial mechanics

Cost of debt: 7.5%, FY2016-17

Debt-equity ratio: 0.82 as on 31 March 2017

Interest cover: 4.5 times as on 31 March 2017

Note:
As sizeable funds deployed in the company's business are in the form of unsecured loans infused by friends, relatives & associates of the promoters to subordinate external debt and keeping in view of basic feature of these loans viz. subordination, long term nature, lower rate of interest and deferability / plough back in interest and repayment, these loans are taken as quasi-equity and repayable on non-preferred basis only if sufficient accruals are available in the long-term. Accordingly, unsecured loans are taken as quasi-equity and excluded in the calculation of debt.

Filatex - Raising the bar



Need: Customers need a wide range of synthetic textile yarns

Response: Filatex is widening its products portfolio

portfolio

- Extension into value-added products to cover full range
- Provides a complete polyester filament yarn basket to customers
- Provide high-quality yarn consistently



Need: Customers need to work with reliable yarn manufacturers

Response: Filatex showcased extreme efficiency in timely delivery

delivery

- Strengthened its delivery schedule network
- Improvement in packaging.
- The textured yarn capacity was commissioned on schedule despite the prevailing monsoonal challenge.
- Empowered the team with authority and responsibility for redressal of customer complaints



Need: Growing competition

Response: Filatex expanded market reach to global levels better product mix

product mix

- Increase in the proportion of revenues from value-added products
- Value-added products strengthened exports to 19.4% of revenues in FY2016-17
- Exporting to 28 countries across the globe.



Need: Growing competition

Response: Empowering workers and managers

empower-ing

- Empowered employees and involved them in active decision-making
- Special focus on employee skill development through regular training
- Encouraged ideas bottom up to keep the team motivated and engaged



Filatex is transforming faster than ever

- From one manufacturing location to three.
- From one product to multiple products portfolio.
- From promoter-driven to a combination of promoters and professionals.
- From commodity offering to a specialized products offering.

Sectoral context

- Use of man made fibre growing faster than cotton
- Increasing application in lifestyle apparels
- Growing use in non-apparels applications like automobile upholstery and home furnishing
- Growing aspirations in line with increasing per capita incomes

Addressing sectoral realities

- Invested in ISO certified units
- Strong brand respected for quality and reliability
- Embarked on process automation
- Extensive employee empowerment
- Introduction of value-added products

Effective business model

- Increase in operating margin
- Rising exports with better margins
- Robust Balance Sheet with a long-term debt-equity
- Presence across the value-chain; captive production of intermediaries





From a promoter-driven organization to a combination of professionals and promoters	• There has been extensive delegation in decision-making from the promoters to professionals coupled with accountability	• The company invested in employee skill development and training
From commodity presence to value-addition	• Invested in bright FDY commanding higher delta over POY • Nearly 61% of the Company's revenues were derived from value-added segments in FY2016-17 as against 36% in FY2015-16).	• The Company intends to raise the proportion of niche value-added products.
From a limited product basket to a one-stop shop	• The Company commenced with the manufacture of Monofilament Yarn and has now extended to Bright FDY • The Company manufactures a large product range for downstream users	• The Company's portfolio comprises intermediary products to multiple yarn varieties
From a largely domestic company to global presence	• Export revenues, including deemed exports and export incentives, were Rs. 102.13 crore in FY2015-16, which increased to Rs 300.26 crore in FY2016-17	• High value yarns generated export demand and higher realisations • Exports are likely to increase to 25% of the Company's revenues by FY2020-21
Enhancing profit of the Company	• Improved profitability • Increased capacity of value-added products • Growing focus on accruals to fund expansions	• Focus on commissioning plants faster than benchmarks, saving time





Industry positioning

GLOBAL TEXTILE INDUSTRY

The increase of the world fibre consumption was 1.5% up to 99million tons in 2016. Oil based synthetic fibres had the biggest share with 62.7%, Cellulosic and protein based fibre constitute the balance 37.3%, break-up of this balance being cotton (24.3%), wood based cellulose fibres around (6.6%), other natural fibre (5.3%) and wool (1.1)%.

Polyester fibre has gradually become the fibre of choice with in the textile industry, owing to its price, physical properties, and versatility. Today polyester fibre market accounts for about half of total global fibre market. In 2016, demand for polyester fibre is dominated by polyester yarn, which accounted for 68% of overall consumption.

Polyester has overtaken cotton as the dominant fibre, but the cost and availability still does & plays a significant role in the inter-fibre substitution. Crude oil price and cotton prices will affect the demand for respective fibre in the world. Increase in demand for apparels, home textiles and technical textiles is sustainable as the macro economic scenario has recovered. Home furnishings constitute second largest end use sector contributing about 25% volume produced globally.

INDIAN TEXTILE INDUSTRY

The textile and apparel industry can be broadly divided into two segments - yarn & fibre and processed fabric including garments/made-ups. India accounts for 14% world production of all textile fibres and yarn (largest producer of jute and second largest producer of silk and cotton). The major applications of polyester fibres is production of fabric which further used in apparel, home furnishing, technical textile, kids wear and women wears.

The main competitor to polyester continues to be cotton. A recent "CARE" rating reports 5% decline in India's cotton yarn production for FY2016-17 at 3939 million kg as compared 4138 million kg FY2015-16. Easy availability of man-made fibre at competitive rates has led to slower growth of cotton yarn production. Polyester now has become the yarn for the masses.

The textile industry, by its vary nature,is labour intensive. Currently, Indian labour costs are around one third to that of Chinese labour. This has resulted in Indian products being price competitive in international market. The export of texturizing yarn has grown significantly and



as a consequence the demand and prices in domestic market have also firmed. India, as a country, is in strong position to capture increasing share in the yarn market. To be able to compete aggressively, some initiatives from "Government of India " are necessary by way of ensuring availability of key raw materials, uninterrupted & stable power supply at competitive rates and availability of low cost funds for operations. Besides this, in order to boost more investment for new capacities/modernization, "Government of India" has announced initiative like introducing mega package for power loom sector, encourage "India Handloom", revised and restructured technology upgradation fund scheme.

In 2016, Government of India already approved the implementation of GST which likely to show positive sign in the growth of economy

India has been able to capture some share in PFY export markets in the past five years, especially in Brazil and Turkey, which also accounted for 41% of global trade in textured polyester yarn. India ate into Indonesia and China's share of PFY exports to these destinations, as a 25% depreciation in the rupee between 2010 and 2015 rendered its exports cheaper.

Long-term outlook

CRISIL Research expects total PFY demand to record 7-8% CAGR during FY2015-16 to FY2020-21 (vis-à-vis 7% CAGR in the past five years), driven by exports. Exports of textured yarn shot up to 16% CAGR in the past five years on account of a low base and favourable exchange rates. In the long term, it is expected that textured yarn exports could continue to grow steadily, substituting direct POY exports. On the other hand, domestic demand is expected to post 6-7% CAGR. Demand for PFY from apparel manufacturers (account for nearly 82% of overall domestic demand) is expected to grow at 5.5-6.0% CAGR, as apparel demand posts a 5-6% CAGR in the next five years.

Moreover, demand from new applications such as sportswear, underwear, and bedding will enhance demand. Cost and other advantages could also help PFY substitute cotton and other fibres as has been the trend globally.





GROWTH DRIVERS

Affordability: Polyester is wrinkle-free material with wide use in formal wear within the apparel industry. The fibre does not shrink and is often blended with other fibres to make it water-resistant. Polyester does not lose lustre over time.

Increasing per capita income: India's per capita disposable income increased from Rs. 73,476 in fiscal 2012 to Rs. 107,817 in Fiscal 2016 (base year Fiscal 2012, at current prices, inclusive of other current transfers (net) from rest of the world). Increasing disposable income increased demand for value-added products. The demand for premium apparel is likely to increase adding to the 'look good' factor, catalyzing polyester demand.

Rapid urbanisation: According to projections, an estimated 140 million Indians could move to cities by 2020 and 700 million by 2050. Besides, the number of cities with population above one million could nearly double with increase in the number of mega-cities (above five million) to 10 by 2021 and 36 by 2051. Urbanization is expected to result in a growing demand for fashionable products, durable garments and fabric that meet aesthetic requirements. (Source: livemint.com, CII Booz IU report)

Changing aspirations: Increase in income levels, shift in employment patterns, exposure to global trends and increase in discretionary spending resulted in changing consumer aspirations. With increasing incomes and nuclear families, discretionary spending has risen, catalyzing the demand for home furnishings, fashionable garments and sportswear.

Emerging workforce: India has the second largest workforce in the world with 860 million 15–64 year olds, which constitutes approximately 66% of the total population. More than 50% of the population comprises the youth, either working or in academics. Polyester is increasingly used in formal wear garments, strengthening consumption.

Anti-dumping: Exports to China were only USD 9 billion in FY2015-16, but imports totalled USD 61.7 billion. India is probing an inspection and likely to impose an anti-dumping policy that could drive the domestic synthetic yarn sector. Anti-dumping duties provide a level playing field to the local industry against cheap imports.

Budget boost: The government allocated Rs 200 crores under Pradhan Mantri Paridhan Rojgar Protsahan Yojna (PMPRPY). This new scheme provides the Employee Pension Scheme contribution of 8.33% of the employers for all new employees enrolling in EPFO under PMRPY for the first three years of their employment. Integrated Scheme for Skill Development for the textile sector received Rs. 174 crores for under-skilled factory workers. Apart from this funding, the textile sector was allocated Rs 6,230 crore in Union Budget 2017-18. [http://www.textileexcellence.com]

GST: The new indirect tax regime is expected to enhance compliance, uniform tax rates and structure with the removal of cascading taxes resulting in lower transaction costs. The polyester yarn industry is likely to benefit. Major yarn producers are likely to cater the fabric and garment sector after rationalization of GST. Now, Fabric and Garment sector will see a good investment from organized sector.

Downstream consumers

Apparel

Polyester Filament Yarns are extensively used in apparels – Trousers, Shirts, Suitings & Sarees. PFY is a strong filament that can withstand strong & repetitive movements. Colour Fastness of Polyester Fiber is excellent. Its wear resistant, water resistant, wrinkle resistant and hydrophobic properties make it ideal for all kinds of apparels.

Home Textiles & Furnishings

Fully Drawn Yarn of Polyester are being used for Home Furnishings, Fashion Fabrics, Terry Towels, Bed Sheets, Curtains & Carpets. Other growing applications are Upholstery Fabrics. Stain resistance makes it ideal for carpets.

Sportswear

The preferred material for sportswear is Polyester Yarn. Sports leisure clothings require a fabric that's not only strong & durable but also abrasion resistant. Ease of washing & corrosion resistance make them easy to maintain with longer usage life.

Women wear & under Garments

In these garments, seam softness is critical. The Textured Micro Denier have met the expected requirements and are being used in Lingerie, Performance garments - Active wear, Yoga wear, low shrinkage to ensure no seam distortion after washing & soft feel make these yarns ideal choice.

Miscellaneous

As filament yarns are available in micro fine denier to fine denier, these find application in kids wear, fashion wear, tapes, socks, zipper etc.





Board of Directors



MADHU SUDHAN BHAGERIA
Chairman & Managing Director (Promoter)

- Gold medallist Commerce graduate from the reputed Shri Ram College of Commerce, Delhi University
- 36 years of rich experience in the 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 Honorary Consuls in India)
- Chairman of International Affairs Committee – Asia Pacific & Europe, PHD Chamber of Commerce and Industry
- Member of FIICI
- Member of many prestigious clubs in Delhi & NCR:- Delhi Golf Club, Friends Club, Noida Golf Club, Siri Fort Sports Complex



MADHAV BHAGERIA
Joint Managing Director (Promoter)

- Commerce graduate from Hindu College, Delhi University
- Looks after plant operations and marketing functions of the Company, based in Surat & Mumbai.
- Promoter Director of Tapti Valley Education Foundation an International school in Surat.
- Director in various other companies
- Member of the 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 and also received Best Sportsman Award in college
- Vast experience in Marketing, Project Management, General and overall Operation, Corporate Planning, Risk Evaluation & Business investment strategies
- 45 years of experience in diverse industry segments like Pulp & Paper, Chemicals, Engineering Consultancy, Polyester Film, PET Filament, Hydro Power Plants, Solar / Wind / Renewable Energy, Real Estate Development & Construction, etc.



S P SETIA
(Independent Director)

- Textile technologist who graduated in 1962.
- Rich experience in the textile industry and providing related consultancy since 1982
- Chairman of the Company's Stakeholders Relationship Committee
- Member of the Company's Audit Committee and Nomination & Remuneration Committee
- Director in various 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 service with the Government of India; served as 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 its Audit Committee and Nomination & Remuneration Committee



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
- Member of the Securities & Exchange Board of India as Special Invitee.
- Independent Director in various renowned companies
- Member of the Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee



PALLAVI JOSHI BAKHRU
(Independent Director)

- Has more than 27 years of post-qualification experience in the field of taxation. Her area of expertise includes inbound and outbound structuring advisory (including regulatory compliance) for Indian and overseas investors.
- Fellow member of the Institute of Chartered Accountants of India
- Member of The International Fiscal Association – (India Branch)
- Charter Member of TIE – Delhi Chapter.
- Member of the Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee

STATUTORY SECTION

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of FILATEX INDIA LIMITED will be held on Monday, 25th September, 2017 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:

   (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon.

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Auditors thereon

2. To appoint a Director in place of Shri Purrshottam Bhaggeria (DIN:00017938), who retires by rotation, and being eligible, offers himself for re-appointment.

3. **Appointment of Statutory Auditors**

   To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Arun K. Gupta & Associates, Chartered Accountants (Firm Registration No. 000605N) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s Amod Agarwal & Associates, Chartered Accountants (Firm Registration No. 005780N), the retiring Auditors for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 27th Annual General Meeting of the Company till the conclusion of the 32nd Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax/GST, out-of-pocket expenses etc. as decided by the Board of Directors.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass 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. 55,000 (Rupees Fifty Five Thousands) plus service tax/GST, 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 9th May, 2017, for conducting the audit of cost records of the Company for the financial year ending 31st March 2018, be and is hereby approved and ratified".

By Order of the Board of Directors
For **FILATEX INDIA LIMITED**

PLACE : NEW DELHI
DATE : 9TH MAY, 2017

RAMAN KUMAR JHA
COMPANY SECRETARY

REGISTERED OFFICE:
Survey No.274, Demni Road, Dadra
(U.T. of Dadra & Nagar Haveli) 396 193
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, 2013 in respect of Special Business under Item No(S). 3 to 4 of the Notice is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company shall be closed from 15th September, 2017 to 25th September, 2017 (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. Pursuant to Section 124(5) of the Companies Act, 2013, in respect of dividends unclaimed for more than seven years from the date of transfer in Unpaid Dividend Account, the Company has transferred an amount of Rs. 90,077 to the Investor Education and Protection Fund (IEPF) for the financial year 2009-10. Further the Company is transferring the above related shares in respect of dividends unpaid or unclaimed for more than seven years to IEPF Suspense Account. The due date for transferring the said shares is on or before 31.05.2017.

9. The Members who have not yet encashed dividend for the financial years 2010-11 and 2011-12 are requested to write to the Company Secretary of the Company. The due dates for transferring unclaimed dividend for the financial years 2010-11 and 2011-12 is 08.07.2018 and 01.10.2019 respectively.

10. 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.

11. 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.

12. **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 SEBI Listing Regulation, the Company is pleased to provide members facility to exercise their right to vote at the 27th 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 22nd September 2017 (9:00 am) and ends on 24th September, 2017 (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 18th September, 2017 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)] :

i. 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.

ii. Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

iii. Click on Shareholder - Login

iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

v. 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.

vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

vii. Select "EVEN" of Filatex India Limited.

viii. Now you are ready for remote e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii. 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] :

i. 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**

ii. 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 18th September, 2017.

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. 18th September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.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 ("Act")

Item No. 3

This Explanatory Statement is provided though not strictly required as per Section 102 of the Act.

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s Amod Agrawal & Associates, the present Auditors of the Company complete their term as Auditors for more than 10 years.

M/s Arun K. Gupta & Associates, Chartered Accountants, having Registration No. 000605N, being eligible for appointment under the provisions of the Companies Act, 2013 and furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the criteria and conditions laid down under Section 141 of the Act.

In view of the above, the Board of Directors, on the recommendations of the Audit Committee, in its meeting held on 9th May, 2017, has appointed M/s Arun K. Gupta & Associates (Firm Registration No. 000605N) as the Statutory Auditors to hold office for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 27th Annual General Meeting of the Company till the conclusion of the 32nd Annual General Meeting to be held in 2022 subject to the approval of the Members at the ensuing Annual General Meeting on such remuneration plus service tax/GST, out-of-pocket expenses etc. as decided by the Board of Directors.

The appointment would also subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting.

Accordingly, consent of the Members of the Company is sought for appointment of M/s Arun K. Gupta & Associates as Statutory Auditors as set out at Item No. 3.

Your Directors recommend passing of the Resolutions at Item No. 3 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. 4

The Board, on the recommendation of the Audit Committee, in its meeting held on 9th May, 2017 has approved the appointment and remuneration of the Cost Auditors, M/s Bahadur Murao & Co., to conduct the audit of the cost records of the Company for the financial year ending 31st March 2018. 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 ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2018 as set out at Item No. 4 by passing an Ordinary Resolution.

Your Directors recommend passing of the Resolutions at Item No. 4 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.

By Order of the Board of Directors
For **FILATEX INDIA LIMITED**

PLACE : NEW DELHI
DATE : 9TH MAY, 2017

RAMAN KUMAR JHA
COMPANY SECRETARY

REGISTERED OFFICE:
Survey No.274, Demni Road, Dadra
(U.T. of Dadra & Nagar Haveli) 396 193
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 27th Annual Report alongwith the Audited Accounts for the year ended March 31, 2017.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Total revenue (Turnover)	155059	127823	155059	127823
Profit before Finance Cost, Depreciation and Tax	13282	8746	14419	9808
Finance Cost	5694	5119	5694	5119
Depreciation & amortization expense	2863	2127	2863	2127
Profit/(Loss) before tax (exclude exceptional item)	5866	2568	5862	2563
Exceptional Items (Profit on sale of Land and building)	-344	697	-344	697
Other income	1140	1067	1140	1067
Tax expense				
- Current	1178	696	1178	696
- MAT credit entitlement	(1178)	(696)	(1178)	(696)
- Deferred	1401	638	1401	638
Total Tax	**1401**	**638**	**1401**	**638**
Net Profit/(Loss) after tax	**4120**	**2627**	**4117**	**2622**
Balance brought forward from previous year	7897	5270	7891	5270
Profit available for appropriation	4120	7897	4117	7892
Balance carried forward to Balance Sheet	**12017**	**7897**	**12008**	**7892**

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 2016-17.

OPERATIONS

During the year under review, the Company achieved turnover of Rs. 155059 lacs as compared to Rs. 127823 lacs in the previous year resulting in increase of 21.31%. Increase in turnover is due to successfully completion

of commercial production for manufacture of 115 TPD of Polyester Fully Drawn Yarn and capacity expansion of value added product - Draw Textured Yarn (DTY) 200 TPD. Consequently, during the year under review, the Company has earned net profit of Rs. 4120 lacs as compared to net profit of Rs. 2627 lacs in the previous year resulting into an increase of 57%.

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.

EXPANSION

The Company has successfully completed commercial production for manufacture of 115 TPD of Polyester Fully Drawn Yarn and capacity expansion of value added product- Draw Textured Yarn (DTY) 200 TPD in September 2016.

The Company has undertaken expansion scheme for putting up additional manufacturing facilities for 190 TPD of Bright Polyester Fully Drawn Yarn, 50 TPD of Semi Dull Fully Drawn Yarn (LBS), 25 TPD of Bright Polyester POY and 85 TPD of Bright Chips is progressing well. The estimated capital outlay is approximately Rs. 340 crores that would be financed from Term Loans comprising of Rupee & Foreign Currency as well as Internal Accruals / Unsecured loans / Equity, if required.

Marginal infrastructure and utilities would be required for the above expansion. This will lead to substantial savings of upto 40% in the capital cost as compared to a new project. Expansion programme execution period is expected to be about 12-15 months as against 24–30 months required for green field project. There will also be marginal additional cost for plant operations and negligible increase in administrative & overhead expenses. The production is expected to commence in the last quarter of financial year 2017-18. Inclusion of the above mentioned value added products will enhance profitability and long term economic viability of the company.

Our product basket at Dahej facility, at present, offers Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY), Drawn Textured Yarn (DTY) & Chips in Semi Dull range. There is good demand for Bright POY, FDY, DTY & Chips. By adding Bright Polymer & Spinning capacity, our product basket will cater better to our customers. We will also be able to meet our own need of 40 TPD Bright Chips at Dadra plant, which we, presently, purchase from the market.

SUBSIDIARY COMPANY

Filatex Global Pte Limited, Singapore is a Wholly Owned Subsidiary of the Company as on date. No material transaction/ business has taken place during the financial year ended 31st March, 2017. The financial statement of the Subsidiary Company has been prepared and consolidated with the annual accounts of the Company in terms of Section 129(3) of the Companies Act, 2013. Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, a Statement containing salient features of the Financial Statement of the said Subsidiary Company is annexed herewith as Annexure "A".

FILATEX EMPLOYEE STOCK OPTIONS SCHEME, 2015

The Board of Directors of the Company, during the financial year 2015-16, granted 9,50,000 stock options ("options") to the eligible Employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS 2015), at an exercise price of Rs. 37 per option. Each option is convertible into one Equity Share of the Company upon vesting & exercise subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

During the year under review, the Company has not granted any Employee Stock Option.

Diluted Earnings per share (EPS) taking the effect of issuance of options under Filatex ESOS 2015 had been calculated (refer Note No. 29 of the Financial Statement).

SHARE CAPITAL

During the year, the Company on 30th July, 2016 has allotted 1,15,00,000 Equity Shares on preferential basis

to the Promoter Group and others upon conversion of 1,15,00,000 convertible Warrants. The paid up share capital of the Company increased to Rs. 43.50 crores from Rs. 32.00 crores.

FIXED DEPOSITS

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

DIRECTORS

Shri Purrshottam Bhaggeria (DIN:00017938), Director, retires by rotation and being eligible, offer himself for re-appointment at 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 SEBI regulations.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, 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 available on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

As required under the Companies Act, 2013 ("Act"), the Corporate Social Responsibility ("CSR") Committee 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.

The Board, on the recommendation of CSR Committee, approved Rs. 19,23,000 being two percent of average net profits during proceeding three financial years of the Company calculated in accordance with the provision of Section 198 of the Companies Act, 2013 to be spent on CSR activities in accordance with CSR Policy, which is available at the Company's website www.filatex.com.

During the year under review, the Company has incurred an expenditure of Rs. 19,37,795 lacs on Education, Swachh Bharat Abhiyan and medical facilities, which is more than two percent of average net profits of the Company during preceeding three financial years.

Details of the expenditure incurred towards CSR activities for the financial year 2016-17 is annexed herewith as **Annexure "B".**

MEETINGS OF THE BOARD

Five (5) 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 Corporate Governance Report and Management Discussion & Analysis as per Schedule V of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the Practising Company Secretary's Certificate regarding compliance of conditions of Corporate Governance and are annexed herewith as Annexure "C".

AUDITORS

As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s Amod Agarwal & Associates (Firm Registration No. 005780N), as Statutory Auditors of the Company would be complete from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s Amod Agarwal & Associates as the Statutory Auditors of the Company.

M/s Arun K. Gupta & Associates, Chartered Accountants, having Registration No. 000605N, being eligible for appointment under the provisions of the Companies Act, 2013 and furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the criteria and conditions laid down under Section 141 of the Act.

The Board of Directors, on the recommendations of the Audit Committee, in its meeting held on 9th May, 2017, has appointed M/s Arun K. Gupta & Associates (Firm Registration No. 000605N) as the Statutory Auditors to hold office for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 27th Annual General Meeting of the Company till the conclusion of the 32nd Annual General Meeting to be held in 2022 subject to the approval of the Members at the ensuing Annual General Meeting on such remuneration plus service tax/GST out-of-pocket expenses etc. decided by the Board of Directors.

The appointment would also subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s Amod Agrawal & Associates, Statutory Auditors in their report for the Financial Year ended March 31, 2017. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

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 2017-18 as the Cost Auditor at a remuneration of Rs. 55,000 plus service tax/GST and out of pocket expense subject to the approval of the Central Government and Members at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

The Board has appointed M/s Siddiqui & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 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 may be considered as material in accordance with the policy of the Company on materiality of related party transactions.

Pursuant to Section 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 2017-2018 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. 102.00 lacs per annum or Rs. 8.50 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 and name and designation of Top ten employees in terms of remuneration drawn are annexed herewith as Annexure "G".

VIGIL MECHANISM

In terms of the Section 177 of the Companies Act, 2013 and SEBI Regulations, 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. No personnel of the Company were denied access to the Audit Committee

RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 & SEBI Regulations, 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. The Board of Directors don't foresee any elements of risk, which in its opinion, may threaten the existence of the Company.

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 No(s). 14, 15 and 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) had 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

Madhu Sudhan Bhageria
Chairman and
Managing Director
DIN:00021934

Place : New Delhi
Date : 9TH MAY, 2017

ANNEXURE – A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

PART "A" - SUBSIDIARIES

In Rs.

Sl. No.	Particulars	2016-17
1.	Name of the Subsidiary	Filatex Global Pte Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2017
3.	Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period in the case of foreign subsidiaries	USD 1 USD = INR 64.8386
4.	Share Capital	10000
5.	Reserve & Surplus	(13457.54)
6.	Total Assets	11719.29
7.	Total Liabilities	15176.86
8.	Investments	-
9.	Turnover	-
10.	Profit before Taxation	(5339.50)
11.	Provision for taxation	-
12.	Profit after Taxation	-
13.	Proposed Dividend	-
14.	% of Shareholding	100

PART "B" - ASSOCIATES AND JOINT VENTURES

The Company don't have any associate companies and joint ventures, therefore the Statement pursuant to Section 129(3) of the Companies Act, 2013 relating to Associate Companies and Joint Ventures are not required to be given.

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

S.C. PARIJA
Independent Director
DIN: 00363608

B.B. TANDON
Independent Director
DIN: 00740511

Place: New Delhi
Date: May 09, 2017

R.P. Gupta
Chief Financial Officer

Raman Kumar Jha
Company Secretary

ANNEXURE – B

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 agency
1.	Blood Donation Camp and organizing Pulse polio day	Health care	Dadra, UT of Dadra & Nagar Haveli	25,000	23,528		Direct
2.	Trophy, Sport T-shirt & Sticker for sports activities	Sports	Dadra, UT of Dadra & Nagar Haveli	10,000	10,600	34,128	Direct
3.	Water Cooler & dispenser provided in Schools	Safe Drinking Water	Dadra, UT of Dadra & Nagar Haveli	2,05,000	2,02,900	2,37,028	Direct
4.	Computers provided in schools	Education	Dadra, UT of Dadra & Nagar Haveli	1,50,000	1,13,400	3,50,428	Direct
5.	Toilets & Bathroom for schools	Swachh Bharat Abhiyan	Dadra, UT of Dadra & Nagar Haveli	1,30,000	1,30,880	4,81,308	Direct
6.	Ambulance use	Health care	Bharuch, Gujarat	6,40,000	6,37,321	11,18,629	Direct
7.	Warer Coolers provided in Village & school	Safe Drinking Water	Bharuch, Gujarat	2,05,000	2,07,000	13,25,629	Direct
8.	Donation to school for note books	Education	Bharuch, Gujarat	2,10,000	2,09,272	15,34,901	Direct
9.	PVC chair distribution and toilet construction in temple	swachh bharat abhiyan	Bharuch, Gujarat	1,80,000	1,79,717	17,14,618	Direct
10.	Sponsoring Music Institutes	Education	Bharuch, Gujarat	25,000	26,000	17,40,618	Direct
11.	Donation to Dr. Babasaheb Ambedkar Yuva Uthan Sanstha	Social service for economically backward group	Bharuch, Gujarat	2,00,000	1,97,171	19,37,789	Direct
			TOTAL	**19,80,000**	**19,37,789**		Direct

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 &
Chairman & Managing Director

Pallavi Joshi Bakhru
Member of CSR Committee &
Independent Director

ANNEXURE – C

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation"), given below is a Corporate Governance Report on the matters mentioned in the Schedule V of the Listing Regulation.

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 & Independent Directors out of which one is women director representing an optimum mix of professionalism, knowledge and experience in their respective fields.

2. (i) Structure of Board of Directors

Sl. No.	Name	Category of Director
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director	Executive Director
2.	Shri Purrshottam 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 Wholetime Director	Executive Director

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 Wholetime Directors of the Company are not the Independent Directors of any listed Company. Shri Madhu Sudhan Bhageria, Shri Purrshottam Bhaggeria

and Shri Madhav Bhageria are related to each other. 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 2016-17, the Board met five times on 22nd April, 2016, 30th July, 2016, 12th August, 2016, 25th October, 2016 and 14th February, 2017.

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 Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015) 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 Companies are as follows:

Sl. No.	Name	No. of Board Meetings attended	No. of Other Directorships*	Committee Memberships*	Committee Chairmanships*	Attendance in AGM
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director	5	1	-	-	NO
2.	Shri Purrshottam Bhaggeria Joint Managing Director	4	2	-	-	NO
3.	Shri Madhav Bhageria Joint Managing Director	4	1	-	-	YES
4.	Shri B. B. Tandon Director	5	8	6	2	NO
5.	Shri S.P. Setia Director	4	5	-	2	NO
6.	Shri S.C. Parija Director	4	1	-	2	YES
7.	Smt. Pallavi Joshi Bakhru Director	4	1	-	-	NO
8.	Shri Ashok Chauhan Wholetime Director	5	-	-	-	NO

* As on 31.03.2017 Represents Directorship & Membership/Chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Companies.

iii) Board Procedure:

The members of the Board are provided with the requisite information mentioned in the Listing Regulation 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 Chairman & Managing Director alongwith two Joint Managing Directors and Wholetime 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 Regulation.

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 18th March, 2017 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 have 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.

3. Audit Committee

In terms of Section 177 of the Companies Act, 2013 and the Listing Regulation, the Audit Committee consists 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 Listing Regulation, 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 and internal auditors 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 2016-17 the Committee met four times. The attendance at the meetings is as under:

Date of Meeting	No. of Members present
22-04-2016	5
30-07-2016	5
25-10-2016	4
14-02-2017	4

Shri Purrshottam Bhaggeria, Shri Madhav Bhageria, Joint Managing Directors and Shri Ashok Chauhan, Wholetime 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

Pursuant to Section 178 of the Companies Act, 2013 and the Listing Regulation, the Nomination & Remuneration Committee consists 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, 2017, there was one meeting of the Committee held on 22nd April, 2016. The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
22-04-2016	5

Nomination and Remuneration Policy:

The Company's Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration are available at the Company's website www.filatex.com.

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, 2017

(Amount in ₹)

Sl. No.	Name of Directors	Salary & Allowances	Contribution to Provident Fund	Perquisites	Commission	Sitting Fees	Total
1.	Shri Madhu Sudhan Bhageria Vice Chairman & Managing Director	41,00,000	21,600	14,21,342	32,16,900	--	87,59,842
2.	Shri Purrshottam Bhaggeria Joint Managing Director	34,40,000	21,600	14,15,839	32,16,900	--	80,94,339
3.	Shri Madhav Bhageria Joint Managing Director	34,40,000	21,600	9,71,549	32,16,900	--	76,50,049
4.	Shri S.P. Setia	--	--	--	--	1,16,000	1,16,000
5.	Shri S.C. Parija	--	--	--	--	1,31,500	1,31,500
6.	Shri B B Tandon	--	--	--	--	1,56,400	1,56,400
7.	Smt. Pallavi Joshi Bakhru	--	--	--	--	1,26,100	1,26,100
8.	Shri Ashok Chauhan Wholetime Director	30,13,500	--	15,000	--	--	30,28,500

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, 2017. 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. During the previous year, the Company has implemented Filatex Employees Stock Options Scheme, 2015 (Filatex ESOS, 2015) through which the Nomination & Remuneration Committee granted 9,50,000 options to eligible employees including Whote-time Director, who is a non promoter director. The re-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 to be 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., 1st May, 2016. 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 consisting 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, 2017, there was one meeting of the Committee held on 30th July, 2016.

The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
30-07-2016	4

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 Regulation 20 of the Listing Regulation.

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, 2017, two 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, 2017.

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, 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
2013-2014	Survey No. 274 Demni Road, Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	30th September, 2014	09.30 A.M.	Yes
2014-2015	Same as above	30th September, 2015	09.30 A.M.	Yes
2015-2016	Same as above	30th September, 2016	09.30 A.M.	Yes

During the financial year 2016-17, no Extra Ordinary General Meeting was held. 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

(i) None of the transactions with any of the related party were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties set out in Note No. 38 of financial statement forming part of the Annual Report.

(ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

(iii) In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are adopted have been set out in the Notes to Accounts forming part of the Annual Report.

(iv) In terms of the Section 177 of the Companies Act, 2013 and Listing Regulation, 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 Regulation 17(9) of the Listing Regulation 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 the Listing Regulation.

9. Means of Communication

The Company publishes its quarterly/halfyearly/ annual results, amongst others, in The Economic Times, Financial Express and Lok Mitra (Gujarati) circulating in Dadra & Nagar Haveli where the Registered Office of the Company is situated. The

same together with shareholding pattern and any other significant development is submitted to the Stock Exchanges and displayed on the Company's website: www.filatex.com. The Company is not making any official releases and not sending half-yearly report to the shareholders, as it is not a mandatory requirement.

The presentations giving an analysis of the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders regarding the financial results which are communicated to the Stock Exchanges.

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

11.1 Annual General Meeting:

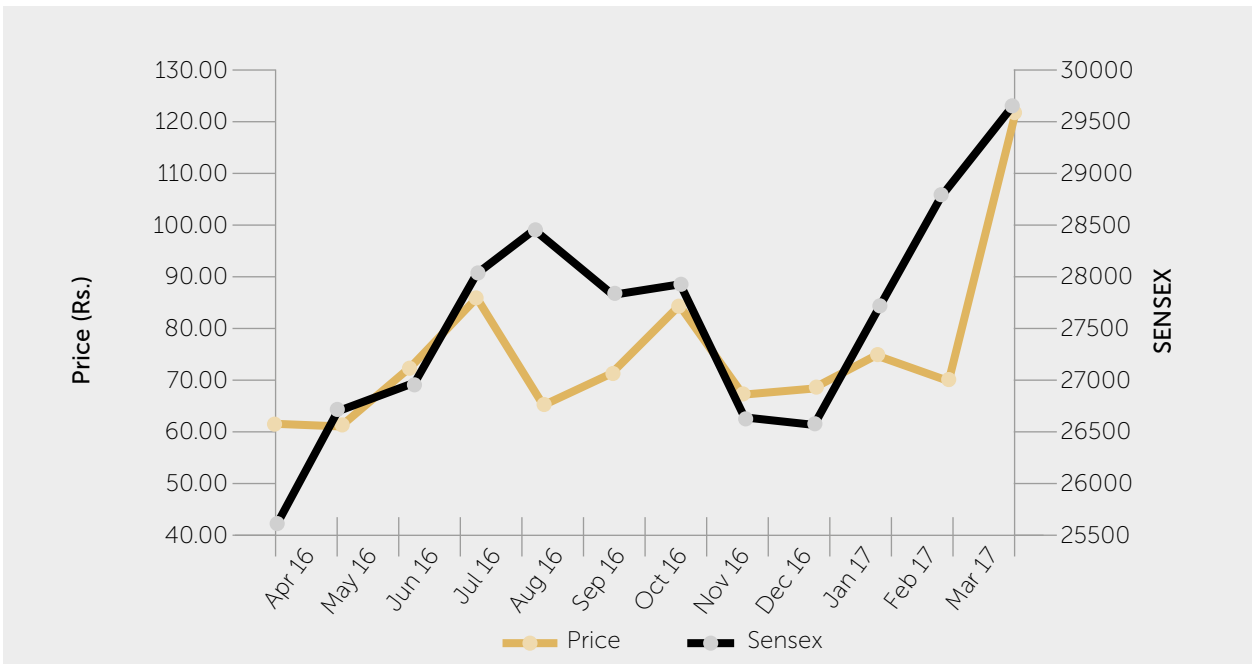
- Date and Time		25th September, 2017 at 9.30 A.M.
- Venue		Survey No. 274, Demni Road, Dadra - 396193 (U.T. of Dadra & Nagar Haveli)
11.2 Financial Calendar		Results for the quarter ending 30-06-2017 on or before 14th August, 2017 (tentative)
		Results for the quarter/half year ending 30-09-2017 on or before 14th November, 2017
		Results for the quarter ending 31-12-2017 on or before 14th February, 2018
		Results for the quarter/year ending 31-03-2018 on or before 30th May, 2018
11.3 Book Closure Date	:	22nd September, 2017 to 30th September, 2017(both days inclusive) for the purpose of Annual General Meeting
11.4 Dividend Payment Date	:	Not Applicable
11.5. Listing of Equity Shares on Stock Exchanges	:	BSE & NSE. Annual Listing fee for the year 2017-18 has been paid to the above Stock Exchanges.
11.6 Stock Code	:	
(a) Trading Symbol at		The Bombay Stock Exchange Limited 526227 The National Stock Exchange of India Limited FILATEX
(b) ISIN allotted to Equity Shares	:	INE816B01019

11.7 Stock Market Data:

Monthly High & Low price of the Equity Shares of the Company for the year 2016-2017 based upon BSE Price data in comparison to BSE Sensex is given below:

Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2016	63.45	26101	37.35	24523
May, 2016	72.25	26837	55.10	25058
June, 2016	75.90	27105	61.75	25911
July, 2016	86.80	28240	70.50	27034
August, 2016	82.00	28532	61.95	27628
September, 2016	76.80	29077	63.60	27717
October, 2016	92.05	28478	70.70	27488
November, 2016	85.05	28030	60.10	25718
December, 2016	71.00	26804	62.05	25754
January, 2017	79.00	27980	65.20	26447
February, 2017	79.15	29065	65.40	27590
March, 2017	127.15	30007	67.00	28716

Stock Price Movement

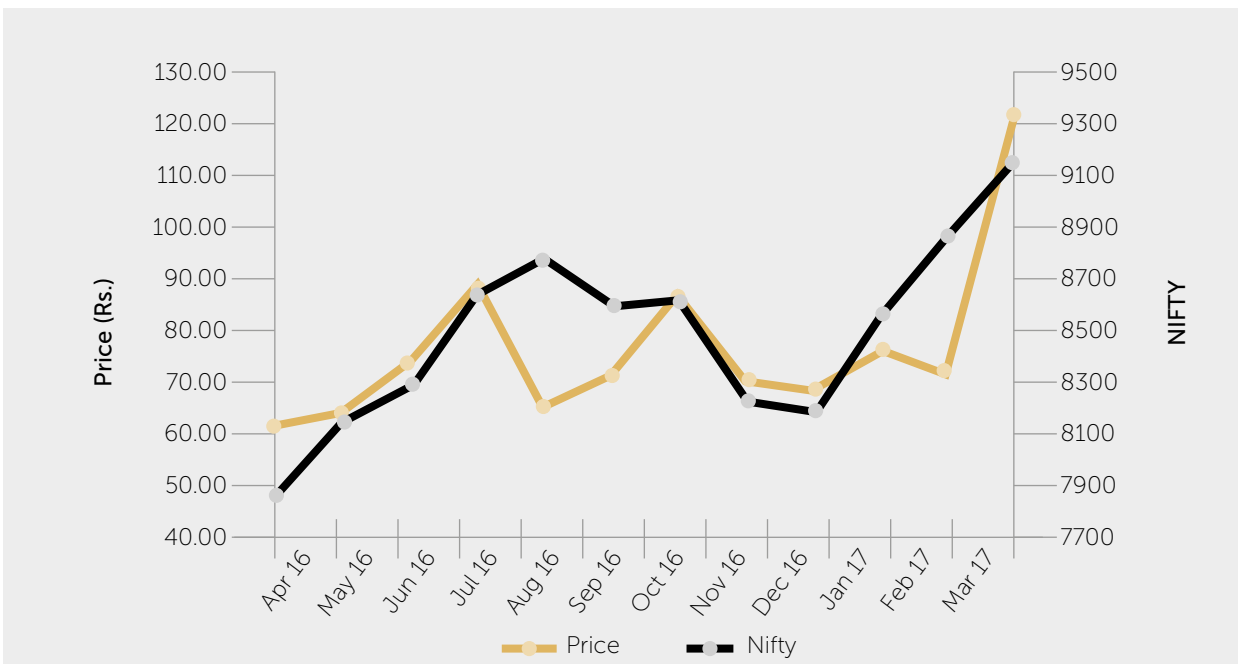


Note: Sensex V/s Closing Share Price on the last trading day of the Month

Monthly High & Low price of the Equity Shares of the Company for the year 2016-2017 based upon NSE Price data in comparison to Nifty is given below:

Month	High		Low	
	Share Price	Nifty	Share Price	Nifty
April, 2016	63.50	7992	37.90	7517
May, 2016	72.25	8214	55.30	7678
June, 2016	76.45	8308	61.30	7927
July, 2016	87.70	8675	70.00	8288
August, 2016	81.05	8819	61.90	8518
September, 2016	77.10	8969	63.25	8555
October, 2016	93.15	8807	70.80	8506
November, 2016	84.90	8670	60.00	7916
December, 2016	71.30	8275	62.10	7894
January, 2017	78.35	8673	65.30	8134
February, 2017	79.00	8982	62.00	8538
March, 2017	126.50	9218	67.40	8860

Stock Price Movement



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

11.8 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@mcsregistrars.com

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

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

11.10 Distribution of Shareholding according to categories of Shareholders as on 31st March, 2017:

Sl. No.	Category	No. of Shares	% to total
1.	**Promoters Holding**		
	Promoter Group	2,52,25,495	57.99
2.	**Institutional Investors**		
	Mutual Funds	13,400	0.03
	Banks and Financial Institutions	66,853	0.15
	Foreign Institutional Investors	23,02,500	5.29
3.	**Others**		
	Bodies Corporate	1,12,02,477	25.75
	Indian Public	39,31,277	9.04
	Trust	81,055	0.19
	NRIs/ OBCs	54,956	0.13
	Clearing Members	3,88,372	0.89
	Hindu Undivided Families	1,33,615	0.31
	Overseas Corporate Bodies	1,00,000	0.23
	TOTAL	**4,35,00,000**	**100.00**

Distribution of Shareholding as on 31st March, 2017 according to Size:

Range		Shareholders		Shares	
No. of Shares		Number	% to total holders	Number	% to total Capital
Upto	500	5426	84.97	773627	1.78
501	1000	411	6.44	346469	0.80
1001	2000	208	3.26	327374	0.75
2001	3000	84	1.31	214754	0.49
3001	4000	33	0.52	120453	0.28
4001	5000	48	0.75	228151	0.52
5001	10000	52	0.81	395102	0.91
10001	and above	124	1.94	41094070	94.47
Total		**6386**	**100**	**43500000**	**100**

11.11	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 31st March, 2017, 4,31,72,080 Equity Shares were in dematerialized form which represents 99.25% of the paid up capital.
11.12	Outstanding GDR/ADRs/ Warrants or any Convertible Instruments, conversion dates and likely impact on Equity	During the year under review, the Company on 30th July, 2016 has allotted 1,15,00,000 Equity Shares on preferential basis to the Promoter Group and others upon conversion of 1,15,00,000 convertible Warrants.
11.13	Commodity price risk or foreign exchange risk and hedging activities	The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods. The Company takes forward cover in respect of its major foreign currency exposure such as for imports, repayment of borrowings & interest thereon denominated in foreign currency and export receivables.
11.14	Plant Location	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

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

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

Name of Director	Shri Purrshottam Bhaggeria
Age (Years)	56
Qualifications	MBA, Cornell University, USA
Date of Appointment	30-07-2003
Expertise in specific functional areas/ other related activities.	Promoter Director, Looking after Finance, Accounts, Legal & Secretarial
List of other Directorship (Indian Public Companies)	Helios Infrastructure & Projects Ltd. Rajasthan Tilters Limited
Chairman/Member of the committees of the Board of the Companies on which he is a Director.	Filatex India Limited Member-Stakeholders Relationship Committee & Corporate Social Responsibility Committee

13. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulation, 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, 2017 to the Board of Directors.

14. NON MANDATORY ITEMS:

The Company has not adopted any non mandatory requirements as mentioned in the Listing Regulation.

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: May 09, 2017

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, 2017.

Place: New Delhi
Date : 29th April, 2017

Madhu Sudhan Bhageria
Chairman & Managing Director

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE 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, 2017 as stipulated in the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **Siddiqui & Associates**
Company Secretaries

Place New Delhi
Date: 09.05.2017

K.O.SIDDIQUI
FCS 2229; CP 1284

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT

The Management of Filatex has prepared and is responsible for the financial statements that appear in this report. These statements are in conformity with accounting principles generally accepted in India.

The statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Management has made these statements based on its assessment, expectations and projections about the future events. Wherever possible, it has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance. Such statements, however, involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other financial costs which may cause actual results to differ materially. The Management does not guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The Management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

GLOBAL ECONOMY

Global Economy and Prospects

Global economic activity showed signs of picking up with a long awaited cyclical recovery in investment, manufacturing and trade. World growth registered a rise from 3.1 percent in 2016 to 3.5 percent in 2017. The momentum is likely to continue and expected growth is likely to be 3.6 percent in 2018. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016. Higher commodity prices have provided some relief to commodity exporters and helped lift global headline inflation and reduce deflationary pressures. Financial markets are buoyant and expect continued policy support in China and fiscal expansion and deregulation in the United States. If confidence and market sentiment remain strong, short-term growth could indeed surprise on the upside.

However, these positive developments should not distract from binding structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term. Structural problems such as low productivity growth and high income inequality are likely to persist. Inward-looking policies threaten global economic integration and the cooperative global economic order, which have served the world economy, especially emerging market and developing economies, well. A faster than expected pace of interest rate hikes in the United States could tighten financial conditions elsewhere, with potential further U.S. dollar appreciation straining emerging market economies with exchange rate pegs to the dollar or with material balance sheet mismatches. More generally, a reversal in market sentiment and confidence could tighten financial conditions and exacerbate existing vulnerabilities in a number of emerging market economies, including China – which faces the daunting challenge of reducing its reliance on credit growth. A dilution of financial regulation may lead to stronger near-term growth but may imperil global financial stability and raise the risk of costly financial crisis down the road. In addition, the threat of deepening geopolitical tensions persists, especially in the Middle East and North Africa and now in Korean Peninsula.

Against this backdrop, economic policies have an important role to play in staving off downside risks and securing the recovery, as stressed in previous WEOs. On the domestic front, policies should support demand and balance sheet repair where necessary and feasible, boost productivity through structural reforms, well-targeted infrastructure spending, and other supply-friendly fiscal policy measures; and support those displaced by structural transformation, such as technological change and globalization. Credible strategies are needed in many countries to place public debt on a sustainable path. Adjusting to lower commodity revenues and addressing financial vulnerabilities remain key challenges for many emerging market and developing economies.

The world also needs a renewed multilateral effort to tackle a number of common challenges in an integrated global economy.

World Economy Gaining Momentum.

Economic activity gained some momentum in the second half of 2016 especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and piled up inventories started contributing positively to growth (after five quarters of drag). Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favour of leaving the European Union (Brexit).

Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession. Activity remained weak in fuel and nonfuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey. (Ref. IMF report 2017)

INDIAN ECONOMY

During the year 2016-17, the Indian economy grew at 7-7.1% as compared to 7.56% in 2015-16. In the third quarter, on 8th November 2016 Government of India, with immediate effect invalidated high value currency notes (Rs 500 and Rs 1000). The currency crunch situation had arised and hit the consumption level, stagnant of stock/ inventory in large companies, small entrepreneur cut down the production and even shut down the industry in the third quarter which led to slowing down the economy growth. As India is in robust path it may expect the growth of 7.5-7.7% in the next financial year 2017-18. Implementation of GST will have a positive sign on the growth of Indian economy.

In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, has reiterated the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. Corporate earnings in India are expected to grow by over 20 percent in FY 2017-18 supported by normalization of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 percent during the same period, according to Bloomberg consensus. India's unemployment rate has declined to 4.8 percent in February 2017 compared to 9.5 percent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

TEXTILE INDUSTRY OUTLOOK

GLOBAL TEXTILE INDUSTRY

The increase of the world fibre consumption was 1.5% up to 99 million tons in 2016. Oil based synthetic fibres had the biggest share with 62.7%, Cellulosic and protein based fibre constitute the balance 37.3%, break-up of this balance being cotton (24.3%), wood based cellulose fibres around (6.6%), other natural fibre (5.3%) and wool (1.1)%.

Polyester fibre has gradually become the fibre of choice with in the textile industry, owing to its price, physical properties, and versatility. Today polyester fibre market accounts for about half of total global fibre market. In 2016, demand for polyester fibre is dominated by polyester yarn, which accounted for 68% of overall consumption.

Polyester has overtaken cotton as the dominant fibre, but the cost and availability still does & plays a significant role in the inter-fibre substitution. Crude oil price and cotton prices will affect the demand for respective fibre in the world. Increase in demand for apparels, home textiles and technical textiles is sustainable as the macro economic scenario has recovered. Home furnishings constitute second largest end use sector contributing about 25% volume produced globally.

INDIAN TEXTILE INDUSTRY

Indian Textile Industry continues to be the second largest employer in the economy, the first being agriculture. Textile sector is one of the largest contributors to Indian exports with approximately 11% of total export. Indian

Textile Industry contributes around 14% to overall index of Industrial Production.

The textile and apparel industry can be broadly divided into two segments - yarn & fibre and processed fabric including garments/made-ups. India accounts for 14% world production of all textile fibres and yarn (largest producer of jute and second largest producer of silk and cotton). The major applications of polyester fibres is production of fabric which further used in apparel, home furnishing, technical textile, kids wear and women wears. Technical Textile can be considered as emerging demand of polyester fibres.

The main competitor to polyester continues to be cotton. A recent "CARE" rating reports 5% decline in India's cotton yarn production for 2016-17 at 3939 million kg as compared 4138 million kg 2015-16. Easy availability of man-made fibre at competitive rates has led to slower growth of cotton yarn production. Polyester now has become the yarn for the masses.

In the year 2016, Government decision to demonetize high value currency notes (Rs 500 & Rs 1000) on 8th novemeber caused severe cash crunch. It had an adverse impact for the short period on textile industry as end user segment is extremely fragmented and carried out its business transaction on cash basis. The demand was dull during Q3 and the situation improved gradually in final quarter as the money supply increased.

The textile industry, by its vary nature,is labour intensive. Currently, Indian labour costs are around one third to that of Chinese labour. This has resulted in Indian products being price competitives in international market. The export of texturizing yarn has grown significantly and as a consequence the demand and prices in domestic market have also firmed. India, as a country, is in strong position to capture increasing share in the yarn market. To be able to compete aggressively, some initiatives from "Government of India" are necessary by way of ensuring availability of key raw materials, uninterrupted & stable power supply at competitive rates and availability of low cost funds for operations. Besides this, in order to boost more investment for new capacities/modernization, "Government of India" has announced initiative like introducing mega package for power loom sector, encourage "India Handloom", revised and restructured technology upgradation fund scheme.

In 2016, Government of India already approved the implementation of GST which likely to show positive sign in the growth of economy. Under GST, 5% uniform rate is likely to be maintain for textile industry.

FILATEX INDIA LIMITED – the Company.

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

Production Capacity of the Product	Production Capacity TPA	Capacity Under Expansion TPD Bright
Polyester Chips	64000 MT	30600 MT
Partially Oriented Yarn	35600 MT	9000 MT
Fully Drawn Yarn	52500 MT	68400 MT
Drawn Textured Yarn	74400 MT	-
Polypropylene Yarn	7500 MT	-
Narrow Woven Fabrics	2500 MT	-
Mono Filament Yarns	500 MT	-

PRODUCTION PERFORMANCE

During the year 2016-17, the overall polymer production increased by around 24% on YoY basis. The increase in polymer production was on account of full utilization in FDY & POY lines. Both POY& FDY lines were run at almost 100% capacity. To add value to POY, new DTY lines were commissioned in second quarter. DTY lines have achieved 90% capacity utilization and a major part of DTY production is being exported. The demand for POY in domestic market was good and a judicious product mix was kept to service both domestic and export market.

(MT / p.a.)

Particulars	2015-16	2016-17
Partially Oriented Yarn (POY)	106006	115242
Polyester Chips	46463	41905
Fully Drawn Yarn (FDY)	17768	48246
Polypropylene Yarn (PP)	5633	5024

FINANCIAL PERFORMANCE (2015-2016)

Net income from business operation was Rs 156200 crores which is around 21.19% more than last year on YoY basis. The various factors like increase in selling price, increase in production and also increase in export. The performance in third quarter (Q3) was affected by the demonetization which led to slow demand and consequently inventory pile up. Apart from Q3, the performance during the year was good. Due to almost full utilization of POY and FDY Capacity, the operating profit improved to Rs. 144 crores, an increase of 47% on YoY basis.

Profit before tax also improved by 2.28 times YOY basis, to an amount of Rs. 59 crores.

Profit after Tax also improved by 1.57 times as compared to last year.

(₹ / lacs)

Particulars	2015-16	2016-17
Net Income (including operating & other income)	128890	156200
EBIDTA	8746	13282
PBT (Before exceptional item)	2568	5865
PAT	2627	4120
Book value per share (Rs)	65.46	66.54
Earnings per share (Rs) (Basic)	8.19	10.36

OVERALL PERFORMANCE

In spite of volatile and fluctuating raw material prices, which are linked to crude and caused inventory losses, the overall performance of the company improved.The operating profit increased to Rs 144 crores, gain of 47% YoY basis. This was achieved primarily by improving the product range. Addition of "Texturising Capacity" has opened up access to a larger market, spread all over the country & abroad. Filatex has begun export of texturised yarn. The company has achieved exports of 35,359 MT of polyester products. We now have our footprints in 31 countries across the world. During the current financial year, export realisation on account of Polyester yarns was around Rs. 275 Cr.

GROWTH PLAN

The company had planned to add Bright Polymerisation facility, as bright yarn are gaining increasing acceptance in non apparel application as well.

The company has achieved "Financial Closure" for funding the project.The "Breaking Ground" was in January 17 to start the civil works. Basic engineering & design for the plant has been completed. All long delivery items and critical equipment have been ordered. The company plans to achieve completion in a phased manner beginning from end of December 2017 and full completion by the end of February 18.

After commissioning of the bright polymer facility, the company well have a full range of product basket of filament yarn – POY,DTY& FDY both in semidull & bright segment in all varities of coarse and fine deniers. The facilities at Dadra plant be utilized to produce colour yarns, special yarns made from non/bought out chips, customized to its customer needs.

SWOT ANALYSIS

STRENGTHS

i) Over four decades of experience in synthetic yarns

ii) Amongst India's most cost efficient polyester yarn manufacturers

iii) Proven track record of operations

iv) A very short learning curve for new expansion.

v) Favourable location of plants in proximity to major consumption centres as well as ports

vi) Well established distribution network. Good and committed relationship with customers.

vii) Qualified and experienced professionals with rich and proven experience

viii) Well established systems for process and plant management, accredited for ISO and OEKO-TEX

CHALLENGES AND THREATS

i) Adverse volatility in raw material prices can affect the performance.

ii) Uncertain availability of PTA from domestic suppliers on account of their frequent breakdowns can reduce capacity utilization at times.

iii) Low bargaining power against large suppliers of key raw materials

iv) High price of PTA on domestic market on account of antidumping duty.

BUSINESS RISKS

Risk is an integral part of business operation. 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 an effective manner by tracking crude prices, RM prices, exchange rate etc.to minimize any adverse impact due to changes in external scenario. Export earnings are providing a natural hedge against imports and repayments. Though Filatex has state of art technology it is reviewed and updated on a regular basis.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The company recognizes that the quality of its employees is the key to successful operations. The company commits resources to augment necessary human resource development, Systematic and relevant training needs are identified and training sessions organized to equip employees with upgraded skills in all disciplines of its business.

Consistent and fair HR policies ensure that industrial relations continue to be peaceful and cordial and results in increasing 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 productivity linked incentive schemes have 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 1580 as compared to 1487 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 matrix 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 continues 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 Chairman & Managing Director and CFO make a declaration at each Board Meeting regarding the compliance to 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.

ANNEXURE – D

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2017

[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,
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 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 2017 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 2017 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;

   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.

vi. The Company has also complied with various provisions of Labour Laws, Environment Laws and other 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.

ii. The provisions of SEBI (Listing Requirement & Disclosure Requirements) Regulations 2015.

During the financial year 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, the Company has had no major events or actions which are having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

for Siddiqui & Associates
Company Secretaries

Place New Delhi
Date: 01.05. 2017

K.O.SIDDIQUI
FCS 2229; CP 1284

ANNEXURE – E

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) Nature of contracts/arrangements/transactions	
	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	

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: May 09, 2017

ANNEXURE – F

ANNEXURE TO DIRECTOR' REPORT

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule. 2014.

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 during project design & implement time:

   - **Induction Motors**
     IE3 energy super efficient induction motors used in FDY and DTY to improve efficiency of equipment
   - **In HP 7.0 Bar air Generation**
     IR centrifugal air compressor started which has lesser specific power consumption than reciprocating compressors.
   - **POY Quench air**
     Filter cleaning, chilled water coil cleaning frequency increased and fresh air duct provided with return air enthalpy auto controller, leading to saving in chilled water.
   - **HTM Heaters**
     Developed a system to utilize stripper column"off Gases" in HTM heaters-resulting in environmental protection as well as slight energy gain. HTM circulation in heaters optimised which resulted in Coal saving of appx. 2.5 Tons/ day.
   - **Lightings conservation**
     100% LED lights provided In FDY & DTY process area. All out sides lights, go down lights controlling started with light sensors. We have started to replacement in existing conventional light by LED
   - **Water Conservation**
     The Treated RO Water Tank is converted in Aeration tank to increase the capacity of aeration tank, This has improved the treatment process as well as resulted in saving of chemicals like Sodium Carbonate, Caustic Soda. Potable RO Plant reject is being used in Toilets/ Wash area resulted in saving 45 M3/ day of Water
   - **Power distribution losses**
     To minimize power distribution loses - Power factor improved up to 0.996 by use of capacitors and provides detuned filters to minimize resonance in current and voltage harmonics.

2. **Additional Investment and proposal, If any, being implemented for reduction of consumption of energy.**
   - Additional compressors to be installed to optimize specific power consumption of DTY roto.
   - Additional Hot water VAM chiller to be used for process heat recovery.
   - Lighting voltage to be reduce up to 380 volt by separate transformer
   - Modification & improvement of process system on regular basis as per market demand.
   - Solar power panel to be used on top of roof
   - Modification in ETP Proposed to improve recycling of Water.

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 energy / power consumption per unit of yarn.
   - Lowering of equipment engagement load will result in longer life of equipment.
   - Reduction in process waste/threading waste.

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 23,393.47

Foreign exchange used
Rs. In lacs 36,931.42

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

	2016-17	2015-16
(A) Power and Fuel Consumption :		
1. Electricity		
(a) Purchased Units KWH	13,65,17,471	8,91,51,688
Total amount (Rs.in lacs)	6,982	4,375
Rate per unit (Rs./KWH)	5.11	4.91
(b) Own generation through DG Sets		
Units KWH	1,78,795	2,00,062
Units per Liter of Diesel oil	3.19	2.74
Cost per unit (Rs./KWH)	15.89	18.70
(c) Own generation through Gas Engine		
Units KWH	4,83,720	-
Units per MMBTU of Gas	226.67	-
Cost per unit (Rs./KWH)	3.22	-
2. Coal		
Quantity (MT)	39,168.54	35,327.25
Total amount (Rs.in lacs)	1,486.60	1,374.36
Average rate per MT Rs.	3,795.40	3,890.36
B) Consumption per unit production		
Electricity (KWH / MT)		
a) Chips	88	96
b) Yarn	591	567
Coal (KG /MT)		
a) Chips	208	229
b) Yarn	230	250

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
   >>New product development with special emphasis on specialty products.
2. **Benefits derived as a result of the above research and development**
   >>Better product mix,cost reduction resulting in improved margins.
   >>Consistency in product quality
   >>Improvement in internal process
3. **Future Plan of Action**
   >>To improve material handling & packaging of products
   >>Study of new material technology and development
   >>Re- use of Treated ETP water
   >>Forward integration into knitting and weaving
4. **Expenditure on research & development:**

>>Capital	)	
>>Recurring	)	The expenditure has been
>>Total	)	charged under the primary
>>Total research & Development	)	heads of accounts.
>>Expenditure as % of total turn over	)	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts in brief made towards technology absorption, adaptation and innovation**
   >>Optimisation / modification in process, equipments and products:
   >> Regular & systematic training of operators & supervisors to operate machines & equipments efficiently
   >>Upgradation of skills through vendor's organised programmes
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
   >>Improvement in operational efficiency and quality of product.
3. **In case of Imported Technology (Imported during the last 3 years reckoned from the beginning of the financial year) following information may be furnished:** No import of technology and hence the same is not applicable

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: May 09, 2017

ANNEXURE – G

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for the financial year 2016-17 (₹ in lacs)	% increase in Remuneration in the financial year 2016-17	Ratio of Remuneration of each Director/ to median Remuneration of Employees
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director	87.64	13.82%	63.51
2.	Shri Purrshottam Bhaggeria Joint Managing Director	81.12	17.84%	58.78
3.	Shri Madhav Bhageria Joint Managing Director	76.61	13.75%	55.51
4.	Shri Ashok Chauhan Wholetime Director	30.29	11.57%	21.95
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	14.51	-2.49%	N.A
10.	Mr. Raman Kumar Jha Company Secretary	6.74	10.86%	N.A

No remuneration only Sitting Fees Paid

*LTA being paid once in a block of two years. It was paid in the Previous Year 2015-16

i) The median remuneration of employees of the Company during the financial year was ₹1.38 Lacs

ii) In the financial year, there was an increase of 8.01% in the median remuneration of employees.

iii) There were 1,595 permanent employees on the rolls of Company as on 31 March 2017.

iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year, i.e 2016-17 was 7.07% whereas the increase in the managerial remuneration for the same financial year was 13.63%.

v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The names of Top Ten Employees in terms of Remuneration drawn.

1. Madhu Sudhan Bhageria
2. Purrshottam Bhaggeria
3. Madhav Bhageria
4. Ashok Chauhan
5. Vijay Kumar Jain
6. Rajendra Prasad Gupta
7. J.P Singh
8. Hetal Rajnikant Gohil
9. Anupam Acharya
10. Vyanu B. Vyas

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: May 09, 2017

ANNEXURE – H

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[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	08-08-1990
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 Polyproplene Multifilament yarn	54024600	85

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN/ UEN NO	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	Filatex Global Pte. Limited 300 Tampines Ave 5, #07-02A, NTUC Income Tampines Junction, Singapore 529653	201539583K	Subsidiary	100	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sl. no.	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/Hindu Undivided Family	14700279	-	14700279	45.94	15600279	-	15600279	35.86	-10.08
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	5325216	-	5325216	16.64	9625216	_	9625216	22.13	5.49
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	20025495	-	20025495	62.58	25225495	_	25225495	57.99	-4.59
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)	20025495	-	20025495	62.58	25225495	-	25225495	57.99	-4.59
(B)	**Public shareholding**									
1.	**Institutions**									
(a)	Mutual Funds/UTI	-	13400	13400	0.04	-	13400	13400	0.03	-0.01
(b)	Financial Institutions / Banks	100	-	100	-	66853	-	66853	0.15	0.15
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	2309136	-	2309136	7.25	2302500	-	2302500	5.29	-1.96
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B) (1)	2309236	13400	2322636	7.30	2369353	13400	2382753	5.48	-1.82
2.	**Non-institutions**									
(a)	Bodies Corporate	4266651	13900	4280551	13.38	11188577	13900	11202477	25.75	12.37
(b)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	1366939	265920	1632859	5.10	1671617	261420	1933037	4.44	-0.66
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2944986	39200	2984186	9.33	1959040	39200	1998240	4.78	-4.55
(c)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
(d)	**Any Other**									
(i)	Non Resident Indians (Repat)	37489	-	37489	0.12	54956	-	54956	0.13	0.01

Sl. no.	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	
(ii)	Hindu Undivided Families	627195	-	627195	1.96	133615	-	133615	0.31	-1.65
(iii)	Foreign Companies	-	-	-	-	-	-	-	-	
(iv)	Clearing Member	8534	-	8534	0.03	388372	-	388372	0.89	0.86
(v)	Foreign Collaborators	-	-	-	-	-	-	-	-	-
(vi)	Trust	81055	-	81055	0.25	81055	-	81055	0.19	-0.06
(vii)	Overseas corporate bodies	-	-	-	-	100000	-	100000	0.23	0.23
	Sub Total (B)(2)	9332849	319020	9651869	30.16	15577209	314520	15891152	36.53	-6.37
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	11630795	343710	11974505	37.42	17946562	327920	18273905	42.00	4.58
	Total (A)+(B)	31656290	343710	32000000	100	43172080	327920	43500000	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)	**31656290**	**343710**	**32000000**	**100**	**43172057**	**327920**	**43500000**	**100**	

ii) Shareholding of Promoters

Sl. no.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during 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	
1.	Madhu Sudhan Bhageria	4218360	13.18	41.78	3708360	8.52	49.01	-4.66*
2.	Purrshottam Bhaggeria	4193359	13.10	41.14	4193359	9.64	47.10	-3.46*
3.	Madhav Bhageria	4230960	13.22	41.48	4230960	9.73	49.16	-3.49*

iii) Change in Promoters' Shareholding (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 including HUF	4218360	13.18		
	Less: 5,10,000 shares transferred to Ms. Vrinda Bhageria on dissolution of Madhu Sudhan Bhageria on 17.03.2017	510000	1.17	3708360	8.52
2.	*Reason for reduction in %age of Madhu Sudhan Bhageria, Purrshottam Bhaggeria and Madhav Bhageria During the year under review, 1,15,00,000 Equity Shares allotted to Persons belonging to Promoter Group and Others.				

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	9.77	NA	NA	*	3125000	7.18
2	Nouvelle Securities Pvt. Ltd.	1989016	6.22	NA	NA	*	1989016	4.37
3	ELM Park Fund Limited	1182500	3.70	NA	NA	*	1182500	2.72
4	Hypnos Fund Limited	1120000	3.50	NA	NA	*	1120000	2.57
5	RMP Holdings Pvt. Ltd.	909500	2.84	20.03.2017	-400000	Sale	509500	1.17
				21.03.2017	-135000	Sale	374500	0.86
				22.03.2017	369267	Buy	743767	1.71
				23.03.2017	-60000	Sale	683767	1.57
				24.03.2017	-100000	Sale	583767	1.34
				27.03.2017	-150000	Sale	433767	1.00
				28.03.2017	-125000	Sale	308767	0.71
				29.03.2017	-180000	Sale	128767	0.28
				30.03.2017	-110000	Sale	18767	0.04
				31.03.2017	-18490	Sale	277	0.00
6	Shankar Somani	835526	2.61	26.04.2016	-100000	Sale	735526	1.69
				12.05.2016	-50000	Sale	685526	1.58
				16.05.2015	-25000	Sale	660526	1.52
				17.05.2016	-25000	Sale	635526	1.46
				14.06.2016	-75000	Sale	560526	1.29
7	R N Khemka Enterprises Pvt. Ltd.	600000	1.88	30.09.2016	32692	Buy	632692	1.45
				22.03.2017	-600000	Sale	32692	0.08
				30.03.2017	-32692	Sale	Nil	Nil
8	Ram Avtar Bhageria	462000	1.44	NA	NA	*	462000	1.06
9	Satya Bhama Bhageria	457300	1.43	NA	NA	*	457300	1.05
10	ANM Fincap Pvt.Ltd.	440000	1.38	30.07.2016	1400000	Preferential Allotment	1840000	4.23
11	Janus Infrastructure Projects Pvt. Ltd.	-	-	30.07.2016	2700000	Preferential Allotment	2700000	6.21
12	Satsai Finlease Pvt. Ltd.	-	-	30.07.2016	2000000	Preferential Allotment	2000000	4.60
				05.11.2016	77	Buy	2000077	4.60
13	Nishit Fincap Pvt. Ltd.	400000	1.25	30.07.2016	1500000	Preferential Allotment	1900000	4.37
				24.03.2017	100000	Buy	2000000	4.60
				27.03.2017	150000	Buy	2150000	4.94
				29.03.2017	29000	Buy	2176000	5.00
				30.03.2017	232000	Buy	2408000	5.54
14	Fargo Estates Pvt. Ltd.	-	-	30.07.2016	1600000	Preferential Allotment	1600000	3.68
15	Savita Holdings Pvt. Ltd.	7757	0.02	30.07.2016	1400000	Preferential Allotment	1407757	3.24

*Reason for reduction in %age of Top Ten Shareholders

During the year under review, 1,15,00,000 Equity Shares allotted to Persons belonging to Promoter Group and Others.

v) Shareholding Pattern of Directors including promoter director and Key Managerial Personnel and Holders of GDRs and ADRs):

	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year					Cumulative Shareholding during the year	
		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	3708360	11.59	-	-	*	3708360	8.52
2	Purrshottam Bhaggeria	4193359	13.10	-	-	*	4193359	9.64
3	Madhav Bhageria	4230960	13.22	-	-	*	4230960	9.73
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	-	-	-	-	-	-	-
	*Reason for reduction in %age of Madhu Sudhan Bhageria, Purrshottam Bhaggeria and Madhav Bhageria During the year under review, 1,15,00,000 Equity Shares allotted to Persons belonging to Promoter Group and Others.							

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,91,24,24,058	99,19,00,000	Nil	4,90,43,24,058
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	50,57,332	Nil	Nil	50,57,332
Total (i+ii+iii)	**3,91,74,81,390**	**99,19,00,000**	**Nil**	**4,90,93,81,390**
Change in Indebtedness during the financial year · Addition · (Reduction)				
Net Change	60,99,31,246	(11,59,25,000)	Nil	49,29,48,900
Indebtedness at the end of the financial year				
i) Principal Amount	4,52,13,11,734	87,59,75,000	Nil	5,40,33,47,136
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	61,00,902	Nil	Nil	60,60,402
Total (i+ii+iii)	**4,52,74,12,636**	**87,59,75,000**	**Nil**	**5,40,94,07,538**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Amount in Rs.

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		SH. MADHU SUDHAN BHAGERIA	SH. PURRSHOTTAM BHAGGERIA	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	41,21,600	34,61,600	34,61,600	30,13,500	1,40,58,300
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14,24,926	14,33,839	9,82,644	15,000	38,56,409
	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...	32,16,900	32,16,900	32,16,900	-	96,50,700
5	Others, please specify	-	-	-	-	-
	Total (A)	**87,63,426**	**81,12,339**	**76,61,144**	**30,28,500**	**2,75,65,409**
	Ceiling as per the Act	As per Companies Act, 2013 and Schedules thereto				
B	**Remuneration to other directors:**					
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	1. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	1,16,000	1,31,150	1,56,400	1,26,100	5,29,650
	Total (1)	1,16,000	1,31,150	1,56,400	1,26,100	5,29,650
	2. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,16,000	1,31,150	1,56,400	1,26,100	5,29,650
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	No Remuneration, only sitting fee				

C.	Remuneration to Key Managerial Personnel other than MD / Manager / WTD				
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	6,59,146	14,35,686	20,94,832
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		15,000	15,000	30,000
	(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		**6,74,146**	**14,50,686**	**21,24,832**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:NIL

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					

For **and on behalf of the Board of Directors**

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN: 00021934

Place New Delhi
Date: May 9,.2017

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, 2017, 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. 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, 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, 2017, 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, 2016', 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, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (g) 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, 2017, on its financial position in its financial statements - Refer Note 30 to the financial statements;

        ii) The Company has made provision as at March 31,2017, 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, 2017.

        iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December,2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management- Refer Note 37 to financial statements.

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

(VIRENDRA KUMAR)
Partner
M.NO- 85380

Place: New Delhi
Dated: 09-05-2017

Annexure A to Independent Auditors' 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, 2017

i. (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.

(c) The title deeds of free hold immovable properties are held in the name of the Company.

ii. The management has conducted physical verification of inventory at reasonable intervals and no material discrepancies in inventory were noticed on physical verification.

iii. 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), (iii)(b) & (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act,2013 in respect of investments made, have been complied by the Company. There are no other loans, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act,2013 are applicable.

v. The Company has not accepted any deposits from the public.

vi. 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.

vii. (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.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax sales tax, duty of customs, duty of excise, service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March,2017 for a period of more than six months from the date they became payable.

(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, 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, 2017 are stated below:-

Sl. No	Name of the statute	Nature of dues	Amt (₹/lacs)	Period to Which it relates	Forum where Dispute is pending
1	Central Excise Act, 1944	NCCD on Deemed Exports	2.77	From July 2004 to Nov. 2004	Commissioner of Central Excise (Appeals), Vapi
2	Central Excise Act, 1944.	Service Tax Credit before starting of production	51.08	F.Y 2011-12	CESTAT, Ahmedabad .
3	Central Excise Act, 1944.	Service Tax Credit on Hotel Bill & outward courier	1.08	March 2012 to Jan,2016.	The Commissioner(Appeals) Bharuch

Sl. No	Name of the statute	Nature of dues	Amt (₹/lacs)	Period to Which it relates	Forum where Dispute is pending
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 Mediclaim 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.	472.52	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 & FY 2008-09	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	3.17	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.	Cenvat credit of service tax availed on courier service for the period from Dec 2012 to Sept 2013	0.11	From Dec.-2012 to Sep.-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	32.99	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.

Sl. No	Name of the statute	Nature of dues	Amt (₹/lacs)	Period to Which it relates	Forum where Dispute is pending
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.	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
19	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period April 2011 to December 2014.	20.10	April 2011 to December 2014.	The Additional Commissioner, Central excise ,Custom & Service Tax , Div I Vapi.
20	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period January 2015 to November 2015.	3.58	January 2015 to November 2015.	The Assistant Commissioner, Central excise ,Custom & Service Tax , Div I Silvassa.
21	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period April 2010 to February 2016	44.10	April 2010 to February 2016	The Superinendent, Central Ex & Custom, Range-III,Division - V , Bharuch
22	Central Excise Act, 1944	Excise Rebate claim sale Invoice no. 2039ARE no.8/2014-15	11.02	For the period 2014-15	The Joint Commissioner, Central Excise, Raigarh

viii. 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 banks. The company does not have any outstanding to debenture.

ix. Based on the audit procedures applied by us & according to the information & explanations provided by the management, the Company has not raised any moneys by initial public offer or further public offer (including debt instruments) during the year. Term loans taken by the company during the year have been applied for the purpose for which the loans were obtained.

X. 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.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has paid and provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.

xii. The company is not a Nidhi Company, this clause is not applicable to the company.

xiii. According to the records of the Company examined by us and the information and explanation given to us, the company has complied with section 177 and 188 0f the Companies Act 2013 in relation

to transaction with related parties and the details have been disclosed in the Financial Statements as required by applicable Accounting Standards.

xiv. The company has made preferential allotment or Private placement of equity shares during the year under review and the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised.

xv. As per the information & explanations given to us the company has not entered into any non -cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act,2013.

xvi. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

(VIRENDRA KUMAR)
Partner
M.NO- 85380

Place: New Delhi
Dated: 09-05-2017

Annexure 'B' to Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS

We have audited the internal financial controls over financial reporting of Filatex India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both

applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(VIRENDRA KUMAR)
Partner
M.NO- 85380

Place: New Delhi
Dated: 09-05-2017

Balance Sheet as at March 31, 2017

(₹ in Lakhs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
Equity & Liabilities			
Shareholders' Fund			
Share Capital	3	4,350.00	3,200.00
Reserves & Surplus	4	24,605.24	16,459.90
Money received against share warrants [refer note no. 3(c)]		-	1,293.75
Total Shareholders Fund		**28,955.24**	**20,953.65**
Non - Current Liabilities			
Long term borrowings	5	34,103.38	30,757.00
Deferred tax liability (Net)	6	3,707.62	2,306.84
Other Long term liabilities	7	1,184.67	530.88
Long term provisions	8	563.81	468.25
Total Non Current Liabilities		**39,559.48**	**34,062.97**
Current Liabilities			
Short term borrowings	9	14,350.76	13,780.51
Trade Payables	10		
i) total outstanding dues of micro enterprises and small enterprises; and		-	62.13
ii) total outstanding dues of creditors other than micro enterprices and small enterprises		11,129.41	11,976.43
Other current liabilities	11	8,866.66	7,149.86
Short term provisions	12	127.80	97.43
Total Current Liabilities		**34,474.63**	**33,066.36**
Total		**102,989.35**	**88,082.98**
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible assets	13	57,190.29	49,231.42
Intangible assets	13	15.48	4.53
Capital work in progress	13	583.22	1,801.64
Non-current Investments	14	8.00	1.42
Long term loans and advances	15	5,151.87	1,407.38
Other non-current assets	16	95.64	102.44
Total Non Current Assets		**63,044.50**	**52,548.83**
Current Assets			
Inventories	17	14,913.58	9,857.03
Trade receivables	18	20,359.45	21,635.71
Cash & bank balances	19	1,478.90	1,253.84
Short term loans & advances	20	1,352.28	2,110.45
Other current assets	21	1,840.64	677.12
Total Current Assets		**39,944.85**	**35,534.15**
Total		**102,989.35**	**88,082.98**
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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
Date : May 09, 2017

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN:00021934

S.C. PARIJA
Independent Director
DIN: 00363608

B.B. Tandon
Independent Director
DIN: 00740511

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations (gross)	22	170,927.01	141,879.72
Less : Excise duty		15,867.86	14,057.09
Revenue from operations (net)		**155,059.15**	**127,822.63**
Other Income	23	1,140.60	1,067.34
Total Revenue (I)		**156,199.75**	**128,889.97**
Expenses			
Cost of material consumed	24	123,266.83	96,670.57
Purchases of traded goods	24	3,804.17	8,382.28
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade	25	(4,540.76)	122.31
Employee benefits expense	26	4,694.20	4,000.70
Finance cost	27	5,694.32	5,118.53
Depreciation & amortization expense	13	2,863.45	2,126.92
Other Expenses	28	14,552.00	9,900.43
Total Expenses (II)		**150,334.21**	**126,321.74**
Profit/(loss) before exceptional items & tax		**5,865.54**	**2,568.23**
Exceptional Items [Profit/(Loss)] (refer note no. 43)		(344.43)	696.72
Profit/(loss) before tax		**5,521.11**	**3,264.95**
Tax Expense:			
Current tax (MAT)		1,177.95	695.83
MAT credit entitlement		(1,177.95)	(695.83)
Deferred tax		1,400.77	637.96
Total tax expense		**1,400.77**	**637.96**
Net profit/(loss) after tax		**4,120.34**	**2,626.99**
Earnings Per Share (EPS) in Rupees			
-Basic	29	10.37	8.21
-Diluted	29	9.45	8.08
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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
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For and on behalf of the Board of Directors of
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Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	5,521.11	3,264.95
Adjustments for:		
Depreciation/amortization	2,863.45	2,126.92
Loss/(profit) on fixed assets sold/discarded (net)	31.92	6.97
Unrealised foreign exchange Loss/ (profit) (net)	(252.39)	(105.13)
Interest expense	4,368.95	3,387.85
Forward contract Premium Amortised	167.97	566.40
Exceptional Items (Profit on sale of land)	(92.47)	(696.72)
Bad Debts Written off	841.69	637.75
Provisions/liabilities no longer required, written back	(25.67)	(47.96)
Interest income	(990.91)	(904.34)
Dividend income	(1.62)	(4.53)
Operating profit before working capital changes	**12,432.03**	**8,232.16**
Movements in working capital :		
Decrease/ (increase) in trade receivables	423.44	(7,365.91)
Decrease/ (increase) loans and advances/other current assets	284.75	(240.47)
Decrease/ (increase) in inventories	(5,056.55)	1,994.71
Increase / (decrease) in trade & other payable / provisions	672.74	4,317.05
Cash generated from operations	**8,756.41**	**6,937.54**
Direct taxes paid	(1,240.16)	(623.44)
Net cash flow from operating activities (a)	**7,516.25**	**6,314.10**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(10,752.11)	(14,032.24)
Sale of fixed assets	146.66	749.30
(Increase)/decrease in Capital Advance	(2,570.20)	919.36
Advance received against sale of assets	40.00	51.00
Purchase of Investment	(6.58)	(1.39)
(Increase)/Decrease in deposits	(327.95)	390.26
Interest received	990.76	904.34
Dividend received	1.62	4.53
Net cash flow from/(used in) investing activities (b)	**(12,477.80)**	**(11,014.84)**

Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM FINANCING ACTIVITIES		
Money received against share warrants	3,881.25	1,293.75
Proceeds from long-term borrowings from banks	8,033.78	10,414.92
Proceeds from long-term borrowings from others	2,400.00	3,485.45
Repayment of long term borrowings from Banks	(4,460.54)	(5,022.47)
Repayment of long term borrowings from others	(1,207.57)	-
Net Proceeds from short-term borrowings	570.25	(1,982.62)
Interest paid	(4,358.51)	(3,387.85)
Net cash flow from/(used in) in financing activities (c)	**4,858.66**	**4,801.18**
Net increase/(decrease) in cash and cash equivalents (a + b + c)	(102.89)	100.44
Cash and cash equivalents at the beginning of the year	165.25	64.81
Cash and cash equivalents at the end of the year	**62.36**	**165.25**
Components of cash and cash equivalents		
Cash on hand	5.04	19.36
Balance with scheduled Banks :	53.02	140.68
- on deposit account	1,416.54	1,088.59
- unpaid dividend accounts*	4.30	5.21
- Cheques, draft on hand	-	-
Cash and Bank Balances	**1,478.90**	**1,253.84**

* 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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
Date : May 09, 2017

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
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Independent Director
DIN: 00740511

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Notes to financial statement for the year ended 31st March, 2017

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) 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.

iv) Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis.

v) Lease hold improvements are amortized over the primary period of lease or useful life, whichever is lower.

vi) Lease hold Land is amortized on straight line basis over the period of lease.

d) Expenditure incurred during the construction period.

i) Indirect expenditure incurred (net of income, if any) during construction period attributable to the construction cost are capitalized as part of the construction cost.

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.

Notes to financial statement for the year ended 31st March, 2017

e) **Intangibles**

Intangible assets, software's etc. are accounted at their cost of acquisition and amortized over their estimated economic life which is estimated at 5 years.

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**

Where the company is the lessee

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) **Segment Reporting**

Identification of Segment:

Secondary Segment

Geographical Segment

The activities of the company relate to single segment i.e manufacture and trading of synthetic Yarn and Textiles and has only one reportable segment. However, the analysis of Company's revenue generation is based on the geographical location of its customer's and does not have any identifiable "Primary Segment" for reporting.

Accordingly, the geographical location segment have been considered for disclosure as follows:

For Sales Revenue:

- Sales within India include sales to customers located within India.
- Sales outside India includes Sales to customers located outside India.

For Carrying amount of Georaphiccal Segment Assets (i.e. receivables);

Carrying amount (receivables) of Geographical segmented assets are as follows:

- Receivables within India
- Receivables outside India

k) **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.

l) **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.

m) **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.

Notes to financial statement for the year ended 31st March, 2017

Export Benefits

Export benefits constituting duty drawback, incentives under FPS/FMS/MEIS 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.

n) 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.

o) 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.

p) 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.

q) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

Notes to financial statement for the year ended 31st March, 2017

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

r) 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.

s) 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.

t) 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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised		
4,50,00,000 (Previous year 4,50,00,000) Equity Shares of ₹ 10/- each	4,500.00	4,500.00
Total	**4,500.00**	**4,500.00**
Issued, subscribed and fully paid-up shares		
4,35,00,000 (previous year 3,20,00,000) Equity Shares of ₹10/- each fully paid	4,350.00	3,200.00
Total	**4,350.00**	**3,200.00**

Notes to financial statement for the year ended 31st March, 2017

3. SHARE CAPITAL *(contd...)*

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

Equity shares

Particulars	As at March 31, 2017		As at March 31, 2016	
	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs
At the beginning of the Period	32,000,000	3,200.00	32,000,000	3,200.00
Add : Shares issued during the Period	11,500,000	1,150.00	-	-
Outstanding at the end of the year	**43,500,000**	**4,350.00**	**32,000,000**	**3,200.00**

b. Terms / rights attached to equity shares

1. The company has only one class of equity shares having a par value of ₹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 11,500,000 Convertible Warrants on preferential basis to the promoters/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. March 16, 2016) of warrants into equivalent number of fully paid equity shares of the company of the face value of ₹ 10/- per share at an exercise price of ₹ 45/- per share (including premium of ₹ 35/- per share).

2. During the previous year the company Received ₹ 1,293.75 lakhs as application money being 25% of the issue price against 11,500,000 convertible warrants. During the current year the company further received ₹ 3881.25 lakhs being 75% of the issue price and allotted 11,500,000 equity shares of face vale of ₹ 10/- per share at a premium of ₹ 35/- per share at its meeting held on July 30, 2016.

   The proceeds of the same have been utilised for the intended purpose of promoters contribution in the company's expansion project.

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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Madhu Sudhan Bhageria 3,708,360 (previous year 3,708,360) equity shares of ₹10/- each fully paid	8.52%	11.59%
Purrshottam Bhaggeria 4,193,359 (Previous Year 4,193,359) equity shares of ₹ 10/- each fully paid	9.64%	13.10%
Madhav Bhageria 4,230,960 (Previous Year 4,230,960) equity shares of ₹ 10/- each fully paid	9.73%	13.22%
Azimuth Investments Ltd. 3,125,000 (previous year 3,125,000) equity shares of ₹10/- each fully paid	7.18%	9.77%
Janus Infrastructure Projects Private Limited 2,700,000 (previous year Nil) equity shares of ₹10/- each fully paid	6.21%	0.00%
Nishit Fincap (P) Ltd 2,408,000 (previous year 400,000) equity shares of ₹10/- each fully paid	5.54%	1.25%
Nouvelle Securities (P) Ltd. 1,989,016 (previous year 1,989,016) equity shares of ₹10/- each fully paid	4.57%	6.22%

Notes to financial statement for the year ended 31st March, 2017

4. RESERVES & SURPLUS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
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	5,709.30	5,709.30
Add: Premium on securities issued during the period	4,025.00	-
Closing Balance	**9,734.30**	**5,709.30**
General Reserve	350.43	350.43
Surplus/(deficit) in the statement of profit & loss		
Balance as per last financial statement	7,897.06	5,270.07
Profit/ (Loss) for the Year	4,120.34	2,626.99
Net surplus in the statement of profit and loss	**12,017.40**	**7,897.06**
Total Reserves and Surplus	**24,605.24**	**16,459.90**

5. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016	
From Banks (secured)				
(i) Term Loans				
- Rupee loans	13,439.69		6,251.77	
- Foreign currency loans	6,632.45		10,631.76	
- External Commercial Borrowing (ECB)	6,248.10		7,238.28	
(ii) Vehicle Loans	27.01		53.22	
Total	**26,347.25**		**24,175.03**	
Less : Current maturity (refer note no. 11)	5,482.58		4,457.41	
Net Long Term Borrowings (Banks)		**20,864.67**		**19,717.62**
(iii) Buyers credit for capital goods		1,182.84		164.70
(iv) From a non banking financial institution (secured)				
- Term Loan	3,355.68		1,004.00	
Less : Current maturity (refer note no. 11)	59.56		48.32	
Net Long Term Borrowings (NBFC)		**3,296.12**		**955.68**
(v) From body corporate (unsecured)		8,759.75		9,919.00
Net Long Term Borrowings		**34,103.38**		**30,757.00**

I. Term loans

a) From banks under consortium arrangement ₹ 20,072.14 Lakhs (previous Year ₹ 16,883.53 Lakhs), are secured by equitable mortgage created/extended by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of company's all movable assets (save & except inventories, book debts, vehicles, plant & machinery and equipment acquired through specific loans), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the company held by the promoter and 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) upto value of the mortgage property. These loans are further secured by second pari passu 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)

Rupee loan bear floating interest rate ranging from MCLR plus 3.55% - 4.45% p.a. while Foreign Currency Term Loan (FCTL) bear interest rate of 6 /12 Months Libor + 3.75% to 4.00% p.a. The loans are repayable in ballooning quarterly installments.

Notes to financial statement for the year ended 31st March, 2017

5. LONG TERM BORROWINGS *(contd...)*

b) **External Commercial Borrowings (ECB)** From Foreign Consortium Banks ₹ 6,248.10 Lakhs (previous Year ₹ 7238.28 Lakhs), are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipments thereof and personal guarantee of promoter directors. The loan is repayable in 16 half yearly equal installments that commenced from December 2016 and bear Interest at 6M Euribor + 1.55% 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 9.20% to 13.00% and repayable in 36 - 60 Equated Monthly installments.

III. **Buyers' Credit for capital goods** amounting to ₹ 1,182.84 Lakhs (Previous Year ₹ 164.70 Lakhs) secured by Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks. LOUs / LOCs facility is secured by equitable mortgage created by way of deposit of title deeds on pari passu basis in respect of immovable properties 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), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the company held by the promoter directors and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of the promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extend of value of property on pari-passu basis. These loans are further secured by second pari passu basis 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).

The loan bears floating interest 6/12 Months Libor plus 0.72% - 1.75% p.a.

IV. **From a non banking financial institution**

a) ₹ 955.68 Lakhs (Previous year ₹ 1,004.00 Lakhs) is collaterally secured by mortgage created by way of deposit of title deeds in respect of the immovable property belonging to promoters group, and are further secured by corporate guarantee of Azimuth Investment Limited, Promoter's group company (related party) restricted upto the value of property. The loan carries floating interest rate of RFRR - 7.40% i.e 12.80% p.a. presently and repayable in 120 equated monthly installments that started from May, 2016.

b) ₹ 2,400.00 lakhs (previous year ₹ Nil) is collaterally secured by mortgage created by way of deposit of tittle deeds in respect of immovable property belonging to Elevate Developers Private Limited, (Related party) and are further secured by pledge of 3,400,000 equity shares held by the promoter group companies. The loan carries floating interest rate of base rate plus 0.30% i.e 13.25% p.a presently and is repayable in 11 equal quarterly installments starting from October 2018 after a moratorium of 15 months.

V. **Unsecured Loans -** From body corporates carrying interest @ 9% - 14% p.a. and are payable after 15 months to 36 months from the date of receipt.

6. DEFERRED TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	7,888.80	5,771.44
Gross deferred tax liability	**7,888.80**	**5,771.44**
Deferred tax assets		
Effect of expenditure debited to profit & loss statement but allowable in subsequent period for tax purposes in the following years	282.88	241.27
Effect of carried forward losses	3,898.31	3,223.33
Gross deferred tax assets	**4,181.19**	**3,464.60**
Net deferred tax liability / (assets)	3,707.61	2,306.84
Net deferred tax Expense / (Income) for the year	**1,400.77**	**637.96**

Notes to financial statement for the year ended 31st March, 2017

7. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Dealer's Deposits Held	398.37	433.98
Deferred Payments	338.26	76.37
Deposits against vehicle	15.59	20.53
Payable Other than Trade	432.45	-
Total other long term liability	**1,184.67**	**530.88**

8. LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity (refer note no. 39)	362.31	306.86
Provision for Leave Encashment	201.50	161.39
Total long term provision	**563.81**	**468.25**

9. SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
From Banks (Secured)		
(i) Working Capital :		
- Rupee loans	1,672.60	5,185.47
- Foreign currency loans	5,305.50	6,373.06
(ii) Buyer's credit for raw material	7,372.66	2,221.98
Total short term borrowings	**14,350.76**	**13,780.51**

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) on pari passu basis and are further secured by way of second charge on block of fixed assets of the company save & except vehicles and plant & machinery acquired out of specific loan(s). These are further secured by pledge of 7,472,679 equity shares of the face value of ₹10/- each of the company held by promoter and promoter group, equitable 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) to the extend of value of property on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 3.15% to 3.95% p.a and foreign currency working capital loan carry an interest at 6M libor + 3.50% to 4.00% 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) and are further secured by way of second charge in respect of entire block of fixed assets of the company save and except vehicles and specific plant & machinery acquired out of specific loan(s). These are further secured by pledge of 7,472,679 equity shares of the face value of ₹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 loans bear interest @ 3/6 Months Libor plus 0.12% - 0.68% p.a and are repayable on respective due dates falling between 3rd April, 2017 to 18th August, 2017.

III. **Bill Discounting:** The above does not include bill discounting of ₹ 949.19 Lakhs (previous year ₹ Nil) from bank against confirmed letter of credit which has been reduced from Trade Receivables (refer note no. 18).

Notes to financial statement for the year ended 31st March, 2017

10. TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payable		
Dues of other than micro, small & medium enterprises		
- Acceptances - Foreign	9,355.93	4,349.36
- Acceptances - Domestic	1,523.81	7,485.33
- Others	249.67	141.74
Dues of micro, small & medium enterprises (refer note no. 33)	-	62.13
Total trade payable	**11,129.41**	**12,038.56**

11. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturity of long term borrowings		
From Banks (secured)		
(i) Term Loans		
- Rupee loans	4,632.28	3,478.57
- Foreign currency loans	834.33	945.89
(ii) Vehicle Loans	15.97	32.95
From a Non Banking Financial Institution (secured)		
- Rupee loans	59.56	48.32
Interest accrued but not due on borrowings	61.01	50.57
Dealer's Deposit	75.80	81.57
Advance from customers	353.04	124.98
Advance against sale of asset	40.00	51.00
Unpaid dividend (To be transferred to Investor Education & Protection Fund as and when due)	4.30	5.21
Dues to statutory authorities	438.51	321.17
Expense payable	700.26	439.37
Capital Creditors	286.35	578.56
Payable other than trade	1,365.25	991.70
Total other current liability	**8,866.66**	**7,149.86**

12. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity (refer note no. 39)	75.49	55.59
Provision for Leave Encashment	52.31	41.84
Total short term provision	**127.80**	**97.43**

Notes to financial statement for the year ended 31st March, 2017

13. FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	April 1, 2016	Additions	Deduction / Adjustments	March 31, 2017	April 1, 2016	Current year	Deduction / Adjustments	March 31, 2017	March 31, 2017	March 31, 2016
TANGIBLE ASSETS:										
Land (Free Hold)	655.51	-	428.45	227.06	-	-	-	-	227.06	655.51
Land (Lease Hold)	1,757.87	-	-	1,757.87	85.61	16.93	-	102.54	1,655.33	1,672.26
Building Factory $	9,624.04	1,845.05	317.93	11,151.16	1,634.72	338.29	53.09	1,919.92	9,231.24	7,989.32
Lease Hold Improvements	-	88.84	-	88.84	-	6.13	-	6.13	82.71	-
Plant & Machinery * $	54,071.05	9,468.41	179.44	63,360.02	15,664.15	2,341.44	127.97	17,877.62	45,482.40	38,406.90
Furniture & Fittings	305.24	62.42	-	367.66	154.34	25.27	-	179.61	188.05	150.90
Vehicles	447.41	10.20	22.75	434.86	194.20	50.75	13.12	231.83	203.03	253.21
Office Equipments	200.78	23.30	-	224.08	125.43	28.40	-	153.83	70.25	75.35
Computer	127.18	38.93	3.14	162.97	99.21	16.68	3.14	112.75	50.22	27.97
Total	**67,189.08**	**11,537.15**	**951.71**	**77,774.52**	**17,957.66**	**2,823.89**	**197.32**	**20,584.23**	**57,190.29**	**49,231.42**
INTANGIBLE ASSETS :										
Softwares	57.29	50.51	-	107.80	52.76	39.56	-	92.32	15.48	4.53
TOTAL	**67,246.37**	**11,587.66**	**951.71**	**77,882.32**	**18,010.42**	**2,863.45**	**197.32**	**20,676.55**	**57,205.77**	**49,235.95**
Capital Work in Progress @ (Building)	570.52	281.06	545.06	306.52	-	-	-	-	306.52	570.52
Capital Work in Progress @ (Plant & Machinery)	1,231.12	276.70	1,231.12	276.70	-	-	-	-	276.70	1,231.12
Grand Total	**69,048.01**	**12,145.42**	**2,727.89**	**78,465.54**	**18,010.42**	**2,863.45**	**197.32**	**20,676.55**	**57,788.99**	**51,037.59**
Previous Year	**55,128.80**	**14,471.53**	**552.32**	**69,048.01**	**16,064.68**	**2,126.92**	**181.18**	**18,010.42**	**51,037.59**	**39,064.12**

* 1. Plant & Machinery Includes cost of ₹342.93 Lakhs (previous year ₹342.93 Lakhs) of water supply connection from GIDC and ₹ 101.00 Lakhs (Previous Year ₹ 101.00 Lakhs) being cost of electricity transmission lines not owned by the company.

2. Foreign Exchange fluctuation gain aggregating ₹ 586.60 Lakhs (Previous year loss ₹ 250.07 Lakhs) capitalised/decapitalised during the year. The accumulated foreign exchange fluctuation capitalised is ₹ 3,876.33 Lakhs (Upto Previous year ₹ 4,462.27 lakhs) and unamortised exchange fluctuation ₹ 3,046.96 lakhs (previous year ₹ 3,792.03 lakhs).

$ Preoperative expenses ₹ 33.41 Lakhs (previous year ₹ 270.98 Lakhs) and borrowing cost ₹ 118.76 Lakhs (previous year ₹ 957.26 Lakhs) has been capitalised. (Refer note no. 40)

@ Capital Work in Progress (CWIP) includes preoperative expenses ₹ 78.67 Lakhs (previous year ₹ Nil Lakhs) and borrowing cost ₹ 105.16 Lakhs (previous year ₹ 36.66). (Refer note no. 40)

Notes to financial statement for the year ended 31st March, 2017

14. NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Quoted, Non Trade		
Investment in equity instruments		
50 (Previous year - 50 Equity shares of ₹ 1/- each) equity shares of ₹ 1/- each fully paid-up in Tata Coffee Ltd.	0.03	0.03
Less : Aggregate provision for diminution in the value of quoted investments	-	-
Aggregate amount of quoted investments [Market Value ₹ 0.06 Lakhs (Previous Year ₹ 0.04 Lakhs)]	**0.03**	**0.03**
Un-Quoted, Non Trade		
Investment in equity instruments		
731,500 (Previous year - 731,500) equity shares of ₹ 0.10/- each fully paid-up in OPGS Power Gujrat Private Limited *	1.39	1.39
In subsidiary company (Valued at cost unless sated otherwise)		
10,000 (Previous year 1) equity shares of USD 1/- each fully paid in Filatex Global Pte Ltd.	6.58	-
Less : Aggregate provision for diminution in the value of un-quoted investments	-	-
Aggregate amount of Unquoted investments	**7.97**	**1.39**
Total Non Current Investments	**8.00**	**1.42**

* Shares kept with Gita Power Ventures Limited, an escrow agent

15. LONG TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Capital Advances	2,854.19	283.99
Deposit with excise/sales tax department Under Protest	41.24	44.80
Advance to Related party [Filatex Global PTE LTD (wholly owned subsidiary)] (refer note no. 39)	5.16	5.26
MAT Credit entitlement	2,251.28	1,073.33
Total long term loans & advances	**5,151.87**	**1,407.38**

16. OTHER NON - CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposits	95.39	102.44
Fixed Deposits (Refer note no. 19)	0.25	-
Total other non-current assets	**95.64**	**102.44**

Notes to financial statement for the year ended 31st March, 2017

17. INVENTORIES (at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials (includes Inventory in Transit ₹ 1,720.41 Lakhs, previous year ₹ 611.03 Lakhs)	5,301.31	4,699.18
Work In Progress	764.21	323.55
Finished Goods (Including goods sold in transit ₹ 558.95 Lakhs, previous year ₹ 14.44 Lakhs)	7,263.00	3,162.90
Packing Material	658.43	531.15
Stores, Spares & Consumables (includes Inventory in Transit ₹ 159.92 Lakhs, previous year ₹ Nil Lakhs)	926.63	1,140.25
Total Inventories	**14,913.58**	**9,857.03**

18. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	488.41	560.75
Other Receivables		
Unsecured, Considered Good*	19,871.04	21,074.96
Total trade receivables	**20,359.45**	**21,635.71**

* Net of bill discounting ₹ 949.19 lakhs (previous year ₹ Nil) under confirmed Letter of Credits (LC)

19. CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	5.04	19.36
Balances with Banks	53.02	140.68
Unpaid dividend a/c *	4.30	5.21
Total (A)	**62.36**	**165.25**
Other Bank balances :-		
Deposits with original maturity for more than 3 months but upto 12 months **	1,412.54	927.36
Deposits with original maturity of more than 12 months **	4.25	161.23
Total (B)	**1,416.79**	**1,088.59**
Less : Amount disclosed under non current assets (refer note no. 16)	0.25	-
Total cash & bank balance (A + B)	**1,478.90**	**1,253.84**

* 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 banks against Bank Guarantee's given/Letter of Credit's established by the bank

Notes to financial statement for the year ended 31st March, 2017

20. SHORT TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received		
Advance to suppliers	565.58	1,379.29
Balance with Excise Department	350.70	416.26
Income Tax recoverable (Net of Provision)	176.83	114.62
Vat Recoverable	0.11	0.02
Prepaid expenses	212.47	152.51
Advances to employees	46.59	47.75
Total short term loans & advances	**1,352.28**	**2,110.45**

21. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Export incentive receivable	809.52	378.26
Duty Credit Script/ MEIS in hand	91.90	16.58
Insurance claims receivable	46.07	22.43
Interest Receivable	47.17	47.02
Asset held for Sale (at net book value or estimated net realisable value, whichever is less)	693.29	76.01
Others	152.69	136.82
Total other current assets	**1,840.64**	**677.12**

22. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products	165,750.74	130,696.63
Sale of traded goods	4,558.07	10,839.73
Job work	166.81	82.01
Other operating revenue	451.39	261.35
Revenue from operations (gross)	170,927.01	141,879.72
Less : Excise Duty	15,867.86	14,057.09
Revenue from operations (net)	**155,059.15**	**127,822.63**

Other operating revenue comprising the following :

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Other operating revenue		
Sales of scrap	285.20	186.92
Export incentives earned	166.19	74.43
Total other operating revenue	**451.39**	**261.35**

Notes to financial statement for the year ended 31st March, 2017

22. REVENUE FROM OPERATIONS *(contd...)*

Sale of products

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Polyester & polypropylene multifilament yarn	162,768	145,577.84	127,719	108,973.30
Polyester chips	24,601	15,327.36	26,729	17,355.57
Narrow fabrics	2,005	2,380.56	1,794	2,313.06
Polyester, nylon & polypropylene monofilament yarn	424	1,334.60	120	211.64
Other	147	502.91	406	1,371.64
Waste		627.47		471.42
Total		**165,750.74**		**130,696.63**

Sale of traded goods

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Mono ethylene glycol * # (MT)	1,770	818.64	4,820	2,584.86
Fabric (Qty in Mtr Lakhs)	22	2,904.19	118	7,330.94
Others #		818.94	-	584.12
Total		**4,541.77**		**10,499.92**

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

Sale of traded goods excludes Excise duty ₹ 16.30 Lakhs (previous year ₹ 339.81 Lakhs)

23. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income on		
(i) Fixed deposits	104.14	118.59
(ii) Others	886.77	785.75
Misc Income	2.90	-
Insurance claim under loss of profit policy	-	110.51
Profit from Exchange fluctuation	119.50	-
Dividend on current investment in mutual funds	1.62	4.53
Sundry balances written back	25.67	47.96
Total other income	**1,140.60**	**1,067.34**

24. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw Material	117,602.84	93,299.56
Packing Material	5,128.04	2,920.97
Consumables	535.95	450.04
Total cost of material consumed	**123,266.83**	**96,670.57**

Notes to financial statement for the year ended 31st March, 2017

24. COST OF MATERIALS CONSUMED *(contd...)*

Purchase of Traded goods

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Mono ethylene glycol (MT)	1,770	813.90	4,820	2,439.61
Fabric (Qty in Mtr Lakhs)	22	2,304.73	118	5,361.80
Jari # (MT)	-	685.54	-	580.87
Total purchase of Traded goods		**3,804.17**		**8,382.28**

Details of Raw Material Consumed

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Purified terephthalic acid	145,815	65,985.31	119,953	52,298.58
Mono ethylene glycol	56,200	28,240.88	46,004	23,142.20
Polyester chips	18,005	11,462.71	10,248	7,336.29
Polypropylene chips	4,887	4,034.61	5,556	4,591.06
Nylon chips	399	538.22	319	446.13
Others		7,341.11	-	5,485.30
Total Raw Material Consumed		**117,602.84**		**93,299.56**

Inventory of Raw Materials

Value (₹/Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purified terephthalic acid	1,628.04	1,873.05
Mono ethylene glycol	1,906.94	1,091.63
Polypropylene chips	141.80	288.76
Polyester chips	642.02	751.32
Nylon chips	11.97	20.67
Others Raw Material	970.54	673.75
Total	**5,301.31**	**4,699.18**

25. (INCREASE)/ DECREASE IN INVENTORIES

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Closing stock		
- Finished goods	7,263.00	3,162.90
- Work- In- Progress	764.21	323.55
- Stock in Trade	-	-
Total	**8,027.21**	**3,486.45**
Opening stock		
- Finished goods	3,162.90	3,156.35
- Work- In- Progress	323.55	440.81
- Stock in Trade	-	11.60
Total	3,486.45	3,608.76
- Total (increase)/decrease	**(4,540.76)**	**122.31**

Notes to financial statement for the year ended 31st March, 2017

25. (INCREASE)/ DECREASE IN INVENTORIES *(contd...)*

Inventory of Finished Goods

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Polyester, nylon & polypropylene				
- Multifilament yarn	7,237	6,696.69	3,537	2,655.88
- Monofilament yarn	90	97.07	84	103.60
Narrow fabrics	91	95.58	153	163.07
Polyester chips	477	361.56	419	231.90
Waste		12.10		8.44
Total Inventory of Finished Goods		**7,263.00**		**3,162.90**

Inventory of Work in Progress

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Polyester, nylon & polypropylene				
- Multifilament yarn	811	653.42	345	233.72
- Monofilament yarn	9	14.41	15	22.19
Narrow fabrics	105	96.38	72	67.64
Total Inventory of Work in Progress		**764.21**		**323.55**

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	4,279.02	3,650.48
Contribution to provident & other funds	194.20	151.86
Gratuity (refer note no. 39)	95.93	102.77
Staff welfare expenses	125.05	95.59
Total employee benefit expenses	**4,694.20**	**4,000.70**

27. FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest		
- on term loans	2,311.54	1,717.83
- on working capital & others	2,057.41	1,670.02
Bank Charges	588.65	450.20
Premium on forward contracts	736.72	1,280.48
Total finance cost	**5,694.32**	**5,118.53**

Notes to financial statement for the year ended 31st March, 2017

28. OTHER EXPENDITURE

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manufacturing Expenses		
Consumption of stores and spares	1,081.08	686.03
Power & Fuel	8,595.58	5,786.59
Increase/(decrease) in excise duty on finished goods inventory	245.37	0.79
Total manufacturing Expenses (A)	**9,922.03**	**6,473.41**
Selling Expenses		
Market Development Expenses	41.48	41.86
Freight outward	1,643.90	780.74
Commission on sales	643.86	456.36
Total selling expenses (B)	**2,329.24**	**1,278.96**
Administration and other expenses		
Rent	165.51	120.55
Repair & Maintenance - Machinery	142.48	91.45
- Building	42.73	65.37
- Others	87.34	83.38
Insurance	131.10	125.03
Rates & taxes excluding taxes on income	35.10	27.49
Auditor's remuneration (refer note no. 32)	15.40	10.00
Exchange fluctuation Loss	-	323.93
Electricity & Water expenses	48.70	49.48
Printing & stationery	33.27	26.39
Postage, telephone & telegram	45.74	38.07
Travelling & conveyance	248.03	196.97
Vehicle running & maintenance	135.81	114.94
Legal & professional charges	139.47	121.81
Director's sitting fees	5.30	3.91
Security services	27.68	38.88
Expenditure towards Corporate Social Responsibility (refer note 31)	19.38	4.50
General expenses	81.44	47.00
Donation & charity (Other than Political Parties)	1.11	1.24
Advertisement & publicity	6.05	4.96
Membership & subscription	15.48	7.99
Loss on sale/discarding of fixed assets [Net of profit of ₹ 7.04 Lakhs (previous year ₹ 3.85 Lakhs)]	31.92	6.97
Bad Debts Written Off	841.69	637.75
Total administrative & other expenses (C)	**2,300.73**	**2,148.06**
Total other expenses (A + B + C)	**14,552.00**	**9,900.43**

Notes to financial statement for the year ended 31st March, 2017

29. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net profit/(loss) for calculation of basic/diluted EPS (₹ In Lakhs)	4,120.34	2,626.99
Weighted average number of equity shares for calculating basic & diluted EPS		
Weighted average number of equity shares - Basic	39,719,178	32,000,000
Effect of Dilution:		
Effect of dilutive issue of share warrants convertible into equity shares	3,780,822	502,732
Effect of dilutive issue of stock option (ESOP)	122,941	16,459
Weighted average number of equity shares - Diluted	43,622,941	32,519,191
Basic EPS - in ₹ per share of the face value of ₹ 10/- each	10.37	8.21
Diluted EPS - in ₹ per share of the face value of ₹ 10/- each	9.45	8.08

30. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

i) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Letters of Credits	4,556.97	3,682.92
b) Unexpired Bank Guarantees	2,083.79	2,010.34
c) Export Bill Discounting	949.19	--
d) Excise / Custom duty	777.31	1,202.31
(Mainly relating to reversal of cenvat credit & valuation of texturised yarns)		
e) Income Tax demand on account of :		
- Penalty for the period AY 2001-02 to 2005-06	33.37	33.37
f) Claims against the company not acknowledged as debts	434.89	1,552.08
g) Amount of duty saved on import of plant & machinery under EPCG scheme	310.13	1,848.96

Based on the discussion with the solicitors and as advised, the company believes that there are fair chances of decisions in its favor (in respect of the items listed in (d) to (g) above). Hence, no provision is considered necessary against the same.

ii) Capital & other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Fixed Assets	16,733.11	2,151.00

b) Other commitments :

Export obligation of ₹ 1,860.78 lakhs (previous year (₹ 11,093.79 lakhs) on account of duty saved on import of plant & machinery under EPCG scheme.

Notes to financial statement for the year ended 31st March, 2017

31. In light of Section 135 of the Companies Act, 2013, the company has incurred expenses on Corporate Social responsibility (CSR) aggregating to ₹ 19.38 Lakhs (previous year ₹ 4.50 Lakhs).

The following disclosure in respect of CSR expenditure is as follows: (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Gross amount required to be spent by the Company during the year	19.23	4.48
b) Amount spent during the year on the following:		
- Contribution towards education, safe drinking water, rural sports, Healthcare, Swach bharat abhiyan	19.38	4.50

32. STATUTORY AUDITOR'S REMUNERATION (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Audit fees (including fees for limited review)	12.58	8.03
b) Tax audit fees	1.80	1.51
c) Certification charges	0.64	0.13
d) Out of pocket expenses	0.38	0.33
	15.40	**10.00**

33. Details of dues to Micro Small & Medium Enterprises Development (MSMED) Act, 2006 (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
i) The principal amount & the interest due thereon remaining unpaid at the end of the year		
Principal Amount	-	62.13
Interest Due thereon	0.68	-
ii) Payments made to suppliers beyond the appointed day during the year		
Principal Amount	60.01	-
Interest Due thereon	0.68	-
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	0.68	-
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 and in cases of confirmation from vendors, interest for delayed payments has not been provided.

Notes to financial statement for the year ended 31st March, 2017

34. SEGMENT REPORTING

I. Information about primary business segment: There is only one reportable segment i.e. manufacture and trading of Synthetic Yarn and textiles as envisaged by Accounting Standard 17 'Segment Reporting', prescribed by the Companies (Accounting Standards) Rules, 2006.

II. Information on Secondary/Geographical Segment: The Company sells its products to various customers within the country and also exports to other countries. Considering size and proportion of exports to local sales, the Company considers sales made with in the country and exports as different geographical segments.

INFORMATION ABOUT REPORTABLE SEGMENT

a. Revenue as per Geographical Markets (net off rebates & returns) (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue within India (Net of Excise Duty)*	128,149.64	120,790.49
Revenue outside India	26,909.51	7,032.14
Total Revenue (net)	**155,059.15**	**127,822.63**

*Includes Deemed export within India

b. Carrying amount of Segment Assets (Trade Receivables) by geographical location. (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Receivables within India	18,130.14	21,038.37
Receivables outside India	2,229.31	597.32
Total Receivables	**20,359.45**	**21,635.71**

Rest of the current assets are common and not Segregable geographical segment wise.

c. Capital expenditure by geographical location of assets (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
India	12,145.42	14,471.53
Outside India	--	--
Total	**12,145.42**	**14,471.53**

35. FORWARD EXCHANGE CONTRACTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

i) Forward contract outstanding as at Balance Sheet date.

Particulars	Currency	Year ended March 31, 2017	Year ended March 31, 2016
Foreign Currency Term Loan	USD	10,229,171	16,027,878
Foreign Currency Loan (Working Capital)	USD	8,182,633	9,607,694
Buyer's Credits – Raw Material	USD	11,370,787	3,349,745
Import Creditors (including Acceptances)	USD	--	1,090,551
Interest on FCL (Buyer's Credit)	USD	28,322	6,887

Notes to financial statement for the year ended 31st March, 2017

35. FORWARD EXCHANGE CONTRACTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE: *(contd...)*

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

Particulars	Currency	Year ended March 31, 2017	Year ended March 31, 2016
Import Creditors (including Acceptances)	USD	14,249,631	7,293,304
	JPY	7,791,000	14,402,800
	Euro	115,344	--
Buyers Credit – Capital Goods	USD	1,824,287	248,249
External Commercial Borrowing (ECB)	EURO	9,022,838	9,638,762
Interest on External Commercial Borrowing	Euro	35,740	38,618
Interest on FCL (Buyers Credit – Raw material & Capital Goods	USD	37,978	9,475
Export sales receivables	USD	4,408,352	608,014
	EURO	--	43,426
Commission on Export sales	USD	75,484	21,520
	Euro	--	3,621
Dealer Security	USD	52,900	52,900

iii) Premium for forward contracts for unexpired period of ₹ 167.97 Lakhs has been carried over to next year (Previous year ₹ 566.40 Lakhs) and will be charged to Profit & Loss Account as and when the underlying transaction will crystallise.

36. EMPLOYEE STOCK OPTION SCHEME:

The Board of Directors of the Company had at its meeting held on February 12, 2016 ,approved grant of 9,50,000 stock options ("options") to the eligible Employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015),at an exercise price of ₹ 37 per option (being the closing price at BSE on February 11,2016 i.e immediately preceding the grant date),each option being convertible in to one Equity Share of the company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

The terms and conditions of the grant as per the Filatex Employee Stock Option Scheme, 2015 (Filatex ESOS 2015) are as under:

A) Vesting period

On completion of 3 Years from the date of grant of options for 60%

On completion of 4 Years from the date of grant of options for 20%

On completion of 5 Years from the date of grant of options for remaining 20%

B) Exercise period

The exercise period will commence from the date of vesting itself and shall be exercised in such period as may be decided and communicated by the Nomination & Remuneration Committee. The options, which have been vested and not exercised within such period, can be carried forward till the last vesting and can be exercised, either partially or wholly, within a period upto one year from last vesting or within such other period and at such time as may be decided and communicated by the Nomination and Remuneration committee, however, the options not so exercised with the period available for exercising of last vesting shall lapse and will not be available for exercise by the employee.

Based on the Guidance note on "Employee Share-Based Payments" issued by The Institute of Chartered Accountant of India, the company has adopted the intrinsic method for accounting for ESOP.

Notes to financial statement for the year ended 31st March, 2017

36. EMPLOYEE STOCK OPTION SCHEME: *(contd...)*

The details of the ESOP 2015 plan are:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year	9,50,000	37.00	-	-
Options granted during the year	-	-	9,50,000	37.00
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year	**9,50,000**	**37.00**	9,50,000	**37.00**

The number of shares granted has face value of ₹ 10 each.

The weighted average contractual life of the options outstanding is 2.6 years (previous year is 3.6 years)

37.

The details of Specified Bank Notes (SBN's) and other denomination notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as under: (₹ in Lakhs)

S. No	Particulars	SBN's	Other Denomination Notes	Total
1	Closing cash in hand as on 08.11.2016	16.67	14.92	31.59
2	Add: Permitted Receipts	Nil	22.65	22.65
3	Less: Permitted Payments	0.15	28.79	28.94
4	Less: Amount deposited in Banks	16.52	Nil	16.52
5	Closing Cash in Hand as on 30.12.2016	Nil	8.78	8.78

38. RELATED PARTY DISCLOSURES

(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) Smt. Anu Bhageria (Wife of related party mentioned at a(i) above).
iii) Smt. Shefali Bhageria (Wife of related party mentioned at a(ii) above).
iv) Smt. Gunjan Bhageria (wife of related party mentioned at a(iii) above).
v) Ms. Vrinda Bhageria (Daughter of related party mentioned at a(i) above).
vi) Mr Yaduraj Bhageria (Son of related party mentioned at a(ii) above).
vii) Mr. Vedansh Bhageria (Son of related party mentioned at a(iii) above).

c) Subsidiary Company:

a. Filatex Global PTE Ltd.

Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

d) Enterprises owned or significantly influenced by key managerial personnel:

i) Madhu Sudhan Bhageria (HUF)
ii) Purrshottam Bhaggeria Family Trust
iii) Nouvelle Securities Pvt Ltd
iv) SMC Yarns Pvt Ltd
v) Vrinda Farms Pvt. Ltd.
vi) Maan Softech Private Limited
vii) Azimuth Investment Private Limited
viii) Janus Infrastructure Projects Private Limited
ix) Fargo Estates Private Limited
x) Elevate Developer Private Limited
xi) Hill Estate Pvt. Ltd.

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Rent Paid				
Purrshottam Bhaggeria	1.47			
	(6.22)			
Ram Avtar Bhageria		--		
		(4.00)		
Vrinda Bhageria		8.50		
		(8.28)		
Vedansh Bhageria		8.83		
		(8.28)		
Yaduraj Bhageria		8.83		
		(8.28)		
Madhusudan Bhageria (HUF)				4.58
				(4.14)
Nouvelle Securities (P) Ltd.				3.00
				(9.11)
Vrinda Farms Private Limited				19.80
				(14.40)
Maan Softech Private Limited				12.44
				(10.87)
Purrshottam Bhaggeria Family Trust				17.50
				(8.00)
Hill Estate (P) Ltd.				6.98
				(10.91)
Unsecured Loan taken and interest paid				
Nouvelle Securities (P) Ltd.				
Unsecured Loan				
Taken				1,200.00
				(--)
Repaid				50.00
				(--)
Interest Paid				46.03
				(--)

Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Security Deposit Given				
Maan Softech Private Limited				--
				(3.00)
Purrshottam Bhaggeria Family Trust				--
				(3.00)
Security Deposit Repaid				
Ram Avtar Bhageria		--		
		(3.00)		
Purrshottam Bhageria	0.72			
	(--)			
Money received against allotment of convertible warrants				
Anu Bhageria		50.63		
		(16.87)		
Vrinda Bhageria		50.63		
		(16.87)		
Shefali Bhageria		50.63		
		(16.87)		
Yaduraj Bhageria		50.63		
		(16.87)		
Gunjan Bhageria		50.63		
		(16.87)		
Vedansh Bhageria		50.63		
		(16.87)		
Janus Infrastructure Projects Private Limited				911.25
				(303.75)
Fargo Estates Private Limited				540.00
				(180.00)
Equity shares issued upon conversion of share warrants				
Anu Bhageria		67.50		
		(--)		
Vrinda Bhageria		67.50		
		(--)		
Shefali Bhageria		67.50		
		(--)		
Yaduraj Bhageria		67.50		
		(--)		
Gunjan Bhageria		67.50		
		(--)		

Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Equity shares issued upon conversion of share warrants				
Vedansh Bhageria		67.50		
		(--)		
Janus Infrastructure Projects Private Limited				1215.00
				(--)
Fargo Estates Private Limited				720.00
				(--)
Managerial Remuneration (Including Commission)				
Madhusudan Bhageria	87.61			
	(77.00)			
Purrshottam Bhaggeria	81.10			
	(68.84)			
Madhav Bhageria	76.59			
	(67.35)			
Ashok Chauhan	30.28			
	(27.15)			
Rajendra Prasad Gupta	14.50			
	(14.88)			
Raman Jha	6.74			
	(6.08)			
Transaction with Subsidiary Company (Filatex Global PTE Ltd)				
Advance given			5.16	
			(5.26)	
Investment in Share Capital			6.58	
			(--)	
Balance outstanding as on 31.03.2017				
Managerial Remuneration (net of TDS)				
Madhusudan Bhageria	22.29			
	(19.51)			
Purrshottam Bhaggeria	22.29			
	(19.68)			
Madhav Bhageria	22.30			
	(21.03)			
Unsecured Loan				
Nouvelle Securities (P) Ltd.				1,150.00
				(–)

Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Security Deposit Given				
Vrinda Farms Private Limited				3.60
				(3.60)
Maan Softech Private Limited				3.00
				(3.00)
Purrshottam Bhaggeria Family Trust				3.00
				(3.00)
Balance with Subsidiary Company (Filatex Global PTE Ltd)				
Advance given			5.16	
			(5.26)	
Investment in Share Capital			6.58	
			(--)	
Immovable Property mortgaged/Guarantee given against loan taken by the company				
SMC Yarns Pvt. Ltd. (Realisable value of the property as per valuation report dated 05.07.2014)				434.70
				(434.70)
Azimuth Investment Pvt Ltd. (Realisable value of the property as per valuation report dated 14.04.2014)				527.00
				(527.00)
Elevate Developer Private Limited (Realisable value of the property as per valuation report dated 24.03.2017)				3018.00
				(--)
Satya Bhama Bhageria *		866.00		
Anu Bhageria *		(866.00)		
Shefali Bhageria *				
Gunjan Bhageria *				
Madhu Sudhan Bhageria #	524.04			
	(533.71)			
Purrshottam Bhaggeria #	808.52			
	(754.67)			
Madhav Bhageria #	921.92			
	(916.99)			

Net worth as on 31st March, 2016 (previous year as on 31st March, 2015)

* Property jointly held by related parties and valuation of property as per valuation report dated 14th April, 2014

Grant of stock options during the previous year to key managerial personnel namely, (1) Mr. Ashok Chauhan - 50,000 Shares, (2) Mr. R.P Gupta - 40,000 Share and (3) Mr. Raman Jha - 15,000 Share (refer note no. 36).

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

Notes to financial statement for the year ended 31st March, 2017

39. EMPLOYEE BENEFITS

a) Provident Fund

Contribution to recognized provident fund

The Company contributed ₹ 172.84 Lakhs towards provident fund during the year ended March 31, 2017 (previous year ₹ 135.01 Lakhs)

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 statement of profit and loss and amount recognized in the balance sheet for gratuity.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF OBLIGATIONS		
Present value of obligation at the beginning of the year	362.45	269.59
Current Service Cost	69.75	55.96
Past Service Cost	---	----
Interest Cost	27.18	21.03
Benefits paid	(20.58)	(9.91)
Net actuarial (Gain) / Loss recognized in the year	(1.01)	25.78
Present value of obligation at the end of the year	**437.80**	**362.45**
RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION & FAIR VALUE OF PLAN ASSETS :		
Present value of obligation at the end of the year	437.80	362.45
Fair value of plan assets at the year end	---	---
Net Liability recognized in the Balance Sheet	437.80	362.45
COST OF THE YEAR :		
Current service cost	69.75	55.96
Past Service Cost	---	---
Interest Cost	27.18	21.03
Net actuarial (Gain) / Loss recognized in the year	(1.01)	25.78
Net cost recognized during the year	95.93	102.77
ASSUMPTION :		
Discount Rate	7.20%	7.50%
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.

Notes to financial statement for the year ended 31st March, 2017

39. EMPLOYEE BENEFITS *(contd...)*

The details of the ESOP 2015 plan are: (₹ in Lakhs)

Particulars	GRATUITY				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	437.80	362.45	269.59	194.83	174.42
Plan Assets	---	---	---	---	--
Deficit	437.80	362.45	269.59	194.83	174.42
Experience adjustments on plan liabilities (Loss)/Gain	8.94	(19.26)	(3.84)	8.22	0.98
Experience adjustments on plan assets	--	--	--	--	--

40. (i) The pre-operative expenses incurred for implementation and commissioning of FDY & D-Tex project had been capitalised along with the cost of fixed assets.

(ii) During the current financial year 2016-17, the company has undertaken to put up manufacturing facility of additional 300 MT/day of continuous Bright polymerisation for manufacture of 190 MT per day of Bright Fully Drawn Yarn (FDY), 85 MT per day of Bright Chips and 25 MT per day of Bright Partially Oriented Yarn (POY) at its existing plant in Dahej, Gujrat. Indirect expenses attributable to the project have been treated as pre-operative expenses.

Details of pre-operative expenses are as under: (₹ in Lakhs)

Particulars	As at 31.03.2016	Incurred during the 2016-17	Capitalised during 2016-17	Balance as on 31.03.2017
Finance Charges				
Interest	36.66	160.13	118.76	78.03
Bank and other Charges	-	27.13	-	27.13
Subtotal (A)	**36.66**	**187.26**	**118.76**	**105.16**
Administrative Expenses				
General Expenses	-	1.79	-	1.79
Electricity, Power & Fuel	-	10.05	-	10.05
Payments and Benefits to Employee	-	55.97	26.56	29.41
Legal & Professional Expense	-	23.64	6.85	16.79
Travelling & Conveyance Expense	-	20.63	-	20.63
Subtotal (B)	**--**	**112.08**	**33.41**	**78.67**
Total	**36.66**	**299.34**	**152.17**	**183.83**

41. 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 ₹ 165.51 lakhs (Previous Year ₹ 120.55 Lakhs) towards operating lease rentals.

Notes to financial statement for the year ended 31st March, 2017

42. PARTICULARS IN RESPECT OF GOODS DEALT WITH BY THE COMPANY:

a) Value of imported and indigenous raw materials consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Percentage (%)	Year Ended March 31, 2016	Percentage (%)
i) Raw Materials				
- Imported	31,857.39	27.09	27,142.03	29.09
- Indigenous	85,745.45	72.91	66,157.53	70.91
	117,602.84	100.00	93,299.56	100.00
ii) Consumable/ Spares				
- Imported	157.04	9.71	148.97	13.11
- Indigenous	1,459.99	90.29	987.10	86.89
	1,617.03	**100.00**	**1,136.07**	**100.00**

b) Value of Imports on CIF Basis

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
i) Raw Materials (Including Goods in Transit)	33,036.78	25,483.01
ii) Capital Goods	1,202.24	7,879.63
iii) Consumable/Spares	1,458.76	280.94

c) Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
i) Foreign Travel	23.69	22.83
ii) Commission on exports	103.97	60.44
iii) Legal & Professional	--	0.5
iv) Foreign Bank Charges	54.63	113.01
v) Credit Guarantee Insurance	--	481
vi) Interest on Buyer's Credit/ FCTL	1,100.28	1,058.26

d) Earnings in Foreign Exchange

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
FOB Value of Export of Goods (excluding deemed exports)	23,393.47	6,501.62

43. Exceptional item includes profit of ₹ 92.47 lacs on account of sale of land and a loss of ₹ 436.90 lacs on account of settlement of dispute with a supplier.

44. Figures have been rounded off to rupees in Lakhs 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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
Date : May 09, 2017

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN:00021934

S.C. PARIJA
Independent Director
DIN: 00363608

B.B. Tandon
Independent Director
DIN: 00740511

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Independent Auditors' Report

To the members of
FILATEX INDIA LIMITED

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of FILATEX INDIA LIMITED ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements
The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017 and their consolidated profit and their consolidated cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements
1. As required by Section143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's Companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary company incorporated in India, since the subsidiary company is not incorporated in India, no separate report on internal financial controls over financial reporting of the group is being issued;

(g) 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 information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017, on the consolidated financial position of the Group– Refer Note 30 to the consolidated financial statements.

ii. The group had made provision as at March 31, 2017, 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 Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary Company.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November,2016 to 30th December,2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management- Refer Note no. 37 to financial statements

Other Matters

The accompanying consolidated Financial statements include total assets of ₹ 7.60 lakhs as at March 31, 2017 and total revenues and net cash flows of ₹ Nil and ₹ 6.39 lakhs respectively for the year ended on that date, in respect of Filatex Global PTE Limited (Singapore) (wholly owned subsidiary), which have not been audited, of which unaudited financial statements and other unaudited financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the group.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements above, is not modified in respect of the above matters and the financial statements and other financial information certified by the Management.

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

(VIRENDRA KUMAR)
Partner
M.NO- 85380

Place: New Delhi
Dated: 09-05-2017

Consolidated Balance Sheet as at March 31, 2017

(₹ in Lakhs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
Equity & Liabilities			
Shareholders' Fund			
Share Capital	3	4,350.00	3,200.00
Reserves & Surplus	4	24,596.43	16,454.55
Money received against share warrants [refer note no. 3(c)]		-	1,293.75
Total Shareholders Fund		**28,946.43**	**20,948.30**
Non - Current Liabilities			
Long term borrowings	5	34,103.38	30,757.00
Deferred tax liability (Net)	6	3,707.61	2,306.84
Other Long term liabilities	7	1,184.67	530.88
Long term provisions	8	563.81	468.25
Total Non Current Liabilities		**39,559.47**	**34,062.97**
Current Liabilities			
Short term borrowings	9	14,350.76	13,780.51
Trade Payables	10		
i) total outstanding dues of micro enterprises and small enterprises; and		-	62.13
ii) total outstanding dues of creditors other than micro enterprices and small enterprises		11,129.41	11,976.43
Other current liabilities	11	8,871.34	7,151.21
Short term provisions	12	127.80	97.43
Total Current Liabilities		**34,479.31**	**33,067.71**
Total		**102,985.21**	**88,078.98**
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible assets	13	57,190.29	49,231.42
Intangible assets	13	15.48	4.53
Capital work in progress	13	583.22	1,801.64
Non-current Investments	14	1.42	1.42
Long term loans and advances	15	5,146.71	1,402.12
Other non-current assets	16	95.64	102.44
Total Non Current Assets		**63,032.76**	**52,543.57**
Current Assets			
Inventories	17	14,913.58	9,857.03
Trade receivables	18	20,359.45	21,635.71
Cash & bank balances	19	1,485.29	1,253.84
Short term loans & advances	20	1,353.49	2,111.71
Other current assets	21	1,840.64	677.12
Total Current Assets		**39,952.45**	**35,535.41**
Total		**102,985.21**	**88,078.98**
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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
Date : May 09, 2017

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN:00021934

S.C. PARIJA
Independent Director
DIN: 00363608

B.B. Tandon
Independent Director
DIN: 00740511

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations (gross)	22	170,927.01	141,879.72
Less : Excise duty		15,867.86	14,057.09
Revenue from operations (net)		**155,059.15**	**127,822.63**
Other Income	23	1,140.60	1,067.34
Total Revenue (I)		**156,199.75**	**128,889.97**
Expenses			
Cost of material consumed	24	123,266.83	96,670.57
Purchases of traded goods	24	3,804.17	8,382.28
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade	25	(4,540.76)	122.31
Employee benefits expense	26	4,694.20	4,000.70
Finance cost	27	5,694.35	5,118.60
Depreciation & amortization expense	13	2,863.45	2,126.92
Other Expenses	28	14,555.45	9,905.71
Total Expenses (II)		**150,337.69**	**126,327.09**
Profit/(loss) before exceptional items & tax		**5,862.06**	**2,562.88**
Exceptional Items [Profit/(Loss)] (refer note no. 43)		(344.43)	696.72
Profit/(loss) before tax		**5,517.63**	**3,259.60**
Tax Expense:			
Current tax (MAT)		1,177.95	695.83
MAT credit entitlement		(1,177.95)	(695.83)
Deferred tax		1,400.76	637.96
Total tax expense		**1,400.76**	**637.96**
Net profit/(loss) after tax		**4,116.87**	**2,621.64**
Earnings Per Share (EPS) in Rupees			
-Basic	29	10.36	8.19
-Diluted	29	9.44	8.06
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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
Date : May 09, 2017

For and on behalf of the Board of Directors of
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DIN: 00740511

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	5,517.63	3,259.60
Adjustments for:		
Depreciation/amortization	2,863.45	2,126.92
Loss/(profit) on fixed assets sold/discarded (net)	31.92	6.97
Unrealised foreign exchange Loss/ (profit) (net)	(252.39)	(105.13)
Interest expense	4,368.95	3,387.85
Forward contract Premium Amortised	167.97	566.40
Exceptional Items (Profit on sale of land)	(92.47)	(696.72)
Bad Debts Written off	841.69	637.75
Provisions/liabilities no longer required, written back	(25.67)	(47.96)
Interest income	(990.91)	(904.34)
Dividend income	(1.62)	(4.53)
Operating profit before working capital changes	**12,428.55**	**8,226.81**
Movements in working capital :		
Decrease/ (increase) in trade receivables	423.44	(7,365.91)
Decrease/ (increase) loans and advances/other current assets	284.70	(236.47)
Decrease/ (increase) in inventories	(5,056.55)	1,994.71
Increase / (decrease) in trade & other payable / provisions	676.08	4,318.40
Cash generated from operations	**8,756.22**	**6,937.54**
Direct taxes paid	(1,240.16)	(623.44)
Net cash flow from operating activities (a)	**7,516.06**	**6,314.10**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(10,752.11)	(14,032.24)
Sale of fixed assets	146.66	749.30
(Increase)/decrease in Capital Advance	(2,570.20)	919.36
Advance received against sale of assets	40.00	51.00
Purchase of Investment	-	(1.39)
(Increase)/Decrease in deposits	(327.95)	390.26
Interest received	990.76	904.34
Dividend received	1.62	4.53
Net cash flow from/(used in) investing activities (b)	**(12,471.22)**	**(11,014.84)**

Consolidated Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM FINANCING ACTIVITIES		
Money received against share warrants	3,881.25	1,293.75
Proceeds from long-term borrowings from banks	8,033.78	10,414.92
Proceeds from long-term borrowings from others	2,400.00	3,485.45
Repayment of long term borrowings from Banks	(4,460.54)	(5,022.47)
Repayment of long term borrowings from others	(1,207.57)	-
Net Proceeds from short-term borrowings	570.25	(1,982.62)
Interest paid	(4,358.51)	(3,387.85)
Net cash flow from/(used in) in financing activities (c)	**4,858.66**	**4,801.18**
Net increase/(decrease) in cash and cash equivalents (a + b + c)	(96.50)	100.44
Cash and cash equivalents at the beginning of the year	165.25	64.81
Cash and cash equivalents at the end of the year	**68.75**	**165.25**
Components of cash and cash equivalents		
Cash on hand	5.04	19.36
Balance with scheduled Banks :	59.41	140.68
- on deposit account	1,416.54	1,088.59
- unpaid dividend accounts*	4.30	5.21
- Cheques, draft on hand	-	-
Cash and Bank Balances	**1,485.29**	**1,253.84**

* 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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
Date : May 09, 2017

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN:00021934

S.C. PARIJA
Independent Director
DIN: 00363608

B.B. Tandon
Independent Director
DIN: 00740511

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

Consolidated Notes to financial statement for the year ended 31st March, 2017

1. PRINCIPLES OF CONSOLIDATION

a) The consolidated financial statement relates to Filatex India Limited and its Wholly owned Subsidiary companies. The consolidated financial statements have been prepared on the following basis:

The financial statement of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, Income and Expenses. Intragroup Balances and Intra Group Transactions and resulting unrealised profits are eliminated in full as per Accounting Standard 21, Consolidated Financial Statement notified under companies accounting standard rules, 2006 (as amended). Unrealised Losses resulting from Intra Group transactions are also eliminated unless cost cannot be recovered.

b) Details of Subsidiary company which is considered in the consolidation and the parent company's holding therein are as under:

S. No	Name of the Subsidiary Company	Country of Incorporation	Extent of Holding % As on March 31, 2017	Extent of Holding % As on March 31, 2016
1	Filatex Global PTE Ltd	Singapore	100%	100%

c) The parent company follows the financial year ending March 31, 2017. The Consolidated Financial statement have been prepared using uniform accounting policies for line transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding company's separate financial statements.

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.

Consolidated Notes to financial statement for the year ended 31st March, 2017

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) 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.

iv) Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis.

v) Lease hold improvements are amortized over the primary period of lease or useful life, whichever is lower.

vi) Lease hold Land is amortized on straight line basis over the period of lease.

d) Expenditure incurred during the construction period.

i) Indirect expenditure incurred (net of income, if any) during construction period attributable to the construction cost are capitalized as part of the construction cost.

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, software's etc. are accounted at their cost of acquisition and amortized over their estimated economic life which is estimated at 5 years.

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

Where the company is the lessee

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.

Consolidated Notes to financial statement for the year ended 31st March, 2017

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) **Segment Reporting**

Identification of Segment:

Secondary Segment

Geographical Segment

The activities of the company relate to single segment i.e manufacture and trading of synthetic Yarn and Textiles and has only one reportable segment. However, the analysis of Company's revenue generation is based on the geographical location of its customer's and does not have any identifiable "Primary Segment" for reporting.

Accordingly, the geographical location segment have been considered for disclosure as follows:

For Sales Revenue:

- Sales within India include sales to customers located within India.
- Sales outside India includes Sales to customers located outside India.

For Carrying amount of Georaphiccal Segment Assets (i.e. receivables);

Carrying amount (receivables) of Geographical segmented assets are as follows:

- Receivables within India
- Receivables outside India

k) **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.

l) **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.

Consolidated Notes to financial statement for the year ended 31st March, 2017

m) **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/MEIS 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.

n) **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.

o) **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.

p) **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.

q) **Current and non-current classification**

All assets and liabilities are classified into current and non-current.

Consolidated Notes to financial statement for the year ended 31st March, 2017

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

r) **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.

s) **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.

t) **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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised		
4,50,00,000 (Previous year 4,50,00,000) Equity Shares of ₹ 10/- each	4,500.00	4,500.00
Total	**4,500.00**	**4,500.00**
Issued, subscribed and fully paid-up shares		
4,35,00,000 (previous year 3,20,00,000) Equity Shares of ₹10/- each fully paid	4,350.00	3,200.00
Total	**4,350.00**	**3,200.00**

Consolidated Notes to financial statement for the year ended 31st March, 2017

3. SHARE CAPITAL *(contd...)*

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

Equity shares

Particulars	As at March 31, 2017		As at March 31, 2016	
	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs
At the beginning of the Period	32,000,000	3,200.00	32,000,000	3,200.00
Add : Shares issued during the Period	11,500,000	1,150.00	-	-
Outstanding at the end of the year	**43,500,000**	**4,350.00**	**32,000,000**	**3,200.00**

b. Terms / rights attached to equity shares

1. The company has only one class of equity shares having a par value of ₹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 11,500,000 Convertible Warrants on preferential basis to the promoters/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. March 16, 2016) of warrants into equivalent number of fully paid equity shares of the company of the face value of ₹ 10/- per share at an exercise price of ₹ 45/- per share (including premium of ₹ 35/- per share).

2. During the previous year the company Received ₹ 1,293.75 lakhs as application money being 25% of the issue price against 11,500,000 convertible warrants. During the current year the company further received ₹ 3881.25 lakhs being 75% of the issue price and allotted 11,500,000 equity shares of face vale of ₹ 10/- per share at a premium of ₹ 35/- per share at its meeting held on July 30, 2016.

   The proceeds of the same have been utilised for the intended purpose of promoters contribution in the company's expansion project.

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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Madhu Sudhan Bhageria 3,708,360 (previous year 3,708,360) equity shares of ₹10/- each fully paid	8.52%	11.59%
Purrshottam Bhaggeria 4,193,359 (Previous Year 4,193,359) equity shares of ₹ 10/- each fully paid	9.64%	13.10%
Madhav Bhageria 4,230,960 (Previous Year 4,230,960) equity shares of ₹ 10/- each fully paid	9.73%	13.22%
Azimuth Investments Ltd. 3,125,000 (previous year 3,125,000) equity shares of ₹10/- each fully paid	7.18%	9.77%
Janus Infrastructure Projects Private Limited 2,700,000 (previous year Nil) equity shares of ₹10/- each fully paid	6.21%	0.00%
Nishit Fincap (P) Ltd 2,408,000 (previous year 400,000) equity shares of ₹10/- each fully paid	5.54%	1.25%
Nouvelle Securities (P) Ltd. 1,989,016 (previous year 1,989,016) equity shares of ₹10/- each fully paid	4.57%	6.22%

Consolidated Notes to financial statement for the year ended 31st March, 2017

4. RESERVES & SURPLUS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
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	5,709.30	5,709.30
Add: Premium on securities issued during the period	4,025.00	-
Closing Balance	**9,734.30**	**5,709.30**
General Reserve	350.43	350.43
Foreign Exchange Transalation Reserve		
Balance as per last financial statement	-	-
Add: Addition during the Year	0.01	-
Net surplus in the statement of profit and loss	**0.01**	**-**
Surplus/(deficit) in the statement of profit & loss		
Balance as per last financial statement	7,891.71	5,270.07
Profit/ (Loss) for the Year	4,116.87	2,621.64
Net surplus in the statement of profit and loss	**12,008.58**	**7,891.71**
Total Reserves and Surplus	**24,596.43**	**16,454.55**

5. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016	
From Banks (secured)				
(i) Term Loans				
- Rupee loans	13,439.69		6,251.77	
- Foreign currency loans	6,632.45		10,631.76	
- External Commercial Borrowing (ECB)	6,248.10		7,238.28	
(ii) Vehicle Loans	27.01		53.22	
Total	**26,347.25**		**24,175.03**	
Less : Current maturity (refer note no. 11)	5,482.58		4,457.41	
Net Long Term Borrowings (Banks)		**20,864.67**		**19,717.62**
(iii) Buyers credit for capital goods		1,182.84		164.70
(iv) From a non banking financial institution (secured)				
- Term Loan	3,355.68		1,004.00	
Less : Current maturity (refer note no. 11)	59.56		48.32	
Net Long Term Borrowings (NBFC)		**3,296.12**		**955.68**
(v) From body corporate (unsecured)		8,759.75		9,919.00
Net Long Term Borrowings		**34,103.38**		**30,757.00**

I. Term loans

a) **From banks under consortium** arrangement ₹ 20,072.14 Lakhs (previous Year ₹ 16,883.53 Lakhs), are secured by equitable mortgage created/extended by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of company's all movable assets (save & except inventories, book debts, vehicles, plant & machinery and equipment acquired through specific loans), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the company held by the promoter and 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) upto value of the mortgage property. These loans are further secured by second pari passu 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)

Rupee loan bear floating interest rate ranging from MCLR plus 3.55% - 4.45% p.a. while Foreign Currency

Consolidated Notes to financial statement for the year ended 31st March, 2017

5. LONG TERM BORROWINGS *(contd...)*

Term Loan (FCTL) bear interest rate of 6 /12 Months Libor + 3.75% to 4.00% p.a. The loans are repayable in ballooning quarterly installments.

b) **External Commercial Borrowings (ECB)** From Foreign Consortium Banks ₹ 6,248.10 Lakhs (previous Year ₹ 7238.28 Lakhs), are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipments thereof and personal guarantee of promoter directors. The loan is repayable in 16 half yearly equal installments that commenced from December 2016 and bear Interest at 6M Euribor + 1.55% 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 9.20% to 13.00% and repayable in 36 - 60 Equated Monthly installments.

III. **Buyers' Credit** for capital goods amounting to ₹ 1,182.84 Lakhs (Previous Year ₹ 164.70 Lakhs) secured by Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks. LOUs / LOCs facility is secured by equitable mortgage created by way of deposit of title deeds on pari passu basis in respect of immovable properties 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), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the company held by the promoter directors and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of the promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extend of value of property on pari-passu basis. These loans are further secured by second pari passu basis 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).

The loan bears floating interest 6/12 Months Libor plus 0.72% - 1.75% p.a.

IV. **From a non banking financial institution**

a) ₹ 955.68 Lakhs (Previous year ₹ 1,004.00 Lakhs) is collaterally secured by mortgage created by way of deposit of title deeds in respect of the immovable property belonging to promoters group, and are further secured by corporate guarantee of Azimuth Investment Limited, Promoter's group company (related party) restricted upto the value of property. The loan carries floating interest rate of RFRR - 7.40% i.e 12.80% p.a. presently and repayable in 120 equated monthly installments that started from May, 2016.

b) ₹ 2,400.00 lakhs (previous year ₹ Nil) is collaterally secured by mortgage created by way of deposit of tittle deeds in respect of immovable property belonging to Elevate Developers Private Limited, (Related party) and are further secured by pledge of 3,400,000 equity shares held by the promoter group companies. The loan carries floating interest rate of base rate plus 0.30% i.e 13.25% p.a presently and is repayable in 11 equal quarterly installments starting from October 2018 after a moratorium of 15 months.

V. **Unsecured Loans -** From body corporates carrying interest @ 9% - 14% p.a. and are payable after 15 months to 36 months from the date of receipt.

6. DEFERRED TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	7,888.80	5,771.44
Gross deferred tax liability	**7,888.80**	**5,771.44**
Deferred tax assets		
Effect of expenditure debited to profit & loss statement but allowable in subsequent period for tax purposes in the following years	282.88	241.27
Effect of carried forward losses	3,898.31	3,223.33
Gross deferred tax assets	**4,181.19**	**3,464.60**
Net deferred tax liability / (assets)	**3,707.61**	**2,306.84**
Net deferred tax Expense / (Income) for the year	**1,400.77**	**637.96**

Consolidated Notes to financial statement for the year ended 31st March, 2017

7. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Dealer's Deposits Held	398.37	433.98
Deferred Payments	338.26	76.37
Deposits against vehicle	15.59	20.53
Payable Other than Trade	432.45	-
Total other long term liability	**1,184.67**	**530.88**

8. LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity (refer note no. 39)	362.31	306.86
Provision for Leave Encashment	201.50	161.39
Total long term provision	**563.81**	**468.25**

9. SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
From Banks (Secured)		
(i) Working Capital :		
- Rupee loans	1,672.60	5,185.47
- Foreign currency loans	5,305.50	6,373.06
(ii) Buyer's credit for raw material	7,372.66	2,221.98
Total short term borrowings	**14,350.76**	**13,780.51**

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) on pari passu basis and are further secured by way of second charge on block of fixed assets of the company save & except vehicles and plant & machinery acquired out of specific loan(s). These are further secured by pledge of 7,472,679 equity shares of the face value of ₹10/- each of the company held by promoter and promoter group, equitable 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) to the extend of value of property on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 3.15% to 3.95% p.a and foreign currency working capital loan carry an interest at 6M libor + 3.50% to 4.00% 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) and are further secured by way of second charge in respect of entire block of fixed assets of the company save and except vehicles and specific plant & machinery acquired out of specific loan(s). These are further secured by pledge of 7,472,679 equity shares of the face value of ₹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 loans bear interest @ 3/6 Months Libor plus 0.12% - 0.68% p.a and are repayable on respective due dates falling between 3rd April, 2017 to 18th August, 2017.

III. **Bill Discounting:** The above does not include bill discounting of ₹ 949.19 Lakhs (previous year ₹ Nil) from bank against confirmed letter of credit which has been reduced from Trade Receivables (refer note no. 18).

Consolidated Notes to financial statement for the year ended 31st March, 2017

10. TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payable		
Dues of other than micro, small & medium enterprises		
- Acceptances - Foreign	9,355.93	4,349.36
- Acceptances - Domestic	1,523.81	7,485.33
- Others	249.67	141.74
Dues of micro, small & medium enterprises (refer note no. 33)	-	62.13
Total trade payable	**11,129.41**	**12,038.56**

11. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturity of long term borrowings		
From Banks (secured)		
(i) Term Loans		
- Rupee loans	4,632.28	3,478.57
- Foreign currency loans	834.33	945.89
(ii) Vehicle Loans	15.97	32.95
From a Non Banking Financial Institution (secured)		
- Rupee loans	59.56	48.32
Interest accrued but not due on borrowings	61.01	50.57
Dealer's Deposit	75.80	81.57
Advance from customers	353.04	124.98
Advance against sale of asset	40.00	51.00
Unpaid dividend (To be transferred to Investor Education & Protection Fund as and when due)	4.30	5.21
Dues to statutory authorities	438.51	321.17
Expense payable	700.26	440.65
Capital Creditors	286.35	578.56
Payable other than trade	1,369.93	991.77
Total other current liability	**8,871.34**	**7,151.21**

12. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity (refer note no. 39)	75.49	55.59
Provision for Leave Encashment	52.31	41.84
Total short term provision	**127.80**	**97.43**

Consolidated Notes to financial statement for the year ended 31st March, 2017

13. FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	April 1, 2016	Additions	Deduction / Adjustments	March 31, 2017	April 1, 2016	Current year	Deduction / Adjustments	March 31, 2017	March 31, 2017	March 31, 2016
TANGIBLE ASSETS:										
Land (Free Hold)	655.51	-	428.45	227.06	-	-	-	-	227.06	655.51
Land (Lease Hold)	1,757.87	-	-	1,757.87	85.61	16.93	-	102.54	1,655.33	1,672.26
Building Factory $	9,624.04	1,845.05	317.93	11,151.16	1,634.72	338.29	53.09	1,919.92	9,231.24	7,989.32
Lease Hold Improvements	-	88.84	-	88.84	-	6.13	-	6.13	82.71	-
Plant & Machinery * $	54,071.05	9,468.41	179.44	63,360.02	15,664.15	2,341.44	127.97	17,877.62	45,482.40	38,406.90
Furniture & Fittings	305.24	62.42	-	367.66	154.34	25.27	-	179.61	188.05	150.90
Vehicles	447.41	10.20	22.75	434.86	194.20	50.75	13.12	231.83	203.03	253.21
Office Equipments	200.78	23.30	-	224.08	125.43	28.40	-	153.83	70.25	75.35
Computer	127.18	38.93	3.14	162.97	99.21	16.68	3.14	112.75	50.22	27.97
Total	**67,189.08**	**11,537.15**	**951.71**	**77,774.52**	**17,957.66**	**2,823.89**	**197.32**	**20,584.23**	**57,190.29**	**49,231.42**
INTANGIBLE ASSETS :										
Softwares	57.29	50.51	-	107.80	52.76	39.56	-	92.32	15.48	4.53
TOTAL	**67,246.37**	**11,587.66**	**951.71**	**77,882.32**	**18,010.42**	**2,863.45**	**197.32**	**20,676.55**	**57,205.77**	**49,235.95**
Capital Work in Progress @ (Building)	570.52	281.06	545.06	306.52	-	-	-	-	306.52	570.52
Capital Work in Progress @ (Plant & Machinery)	1,231.12	276.70	1,231.12	276.70	-	-	-	-	276.70	1,231.12
Grand Total	**69,048.01**	**12,145.42**	**2,727.89**	**78,465.54**	**18,010.42**	**2,863.45**	**197.32**	**20,676.55**	**57,788.99**	**51,037.59**
Previous Year	**55,128.80**	**14,471.53**	**552.32**	**69,048.01**	**16,064.68**	**2,126.92**	**181.18**	**18,010.42**	**51,037.59**	**39,064.12**

* 1. Plant & Machinery Includes cost of ₹342.93 Lakhs (previous year ₹342.93 Lakhs) of water supply connection from GIDC and ₹ 101.00 Lakhs (Previous Year ₹ 101.00 Lakhs) being cost of electricity transmission lines not owned by the company.

2. Foreign Exchange fluctuation gain aggregating ₹ 586.60 Lakhs (Previous year loss ₹ 250.07 Lakhs) capitalised/decapitalised during the year. The accumulated foreign exchange fluctuation capitalised is ₹ 3,876.33 Lakhs (Upto Previous year ₹ 4,462.27 lakhs) and unamortised exchange fluctuation ₹ 3,046.96 lakhs (previous year ₹ 3,792.03 lakhs).

$ Preoperative expenses ₹ 33.41 Lakhs (previous year ₹ 270.98 Lakhs) and borrowing cost ₹ 118.76 Lakhs (previous year ₹ 957.26 Lakhs) has been capitalised. (Refer note no. 40)

@ Capital Work in Progress (CWIP) includes preoperative expenses ₹ 78.67 Lakhs (previous year ₹ Nil Lakhs) and borrowing cost ₹ 105.16 Lakhs (previous year ₹ 36.66). (Refer note no. 40)

Consolidated Notes to financial statement for the year ended 31st March, 2017

14. NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Quoted, Non Trade		
Investment in equity instruments		
50 (Previous year - 50 Equity shares of ₹ 1/- each) equity shares of ₹ 1/- each fully paid-up in Tata Coffee Ltd.	0.03	0.03
Less : Aggregate provision for diminution in the value of quoted investments	-	-
Aggregate amount of quoted investments [Market Value ₹ 0.06 Lakhs (Previous Year ₹ 0.04 Lakhs)]	**0.03**	**0.03**
Un-Quoted, Non Trade		
Investment in equity instruments		
731,500 (Previous year - 731,500) equity shares of ₹ 0.10/- each fully paid-up in OPGS Power Gujrat Private Limited *	1.39	1.39
Total Non Current Investments	**1.42**	**1.42**

* Shares kept with Gita Power Ventures Limited, an escrow agent

15. LONG TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Capital Advances	2,854.19	283.99
Deposit with excise/sales tax department Under Protest	41.24	44.80
MAT Credit entitlement	2,251.28	1,073.33
Total long term loans & advances	**5,146.71**	**1,402.12**

16. OTHER NON - CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposits	95.39	102.44
Fixed Deposits (Refer note no. 19)	0.25	-
Total other non-current assets	**95.64**	**102.44**

17. INVENTORIES (at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials (includes Inventory in Transit ₹ 1,720.41 Lakhs, previous year ₹ 611.03 Lakhs)	5,301.31	4,699.18
Work In Progress	764.21	323.55
Finished Goods (Including goods sold in transit ₹ 558.95 Lakhs, previous year ₹ 14.44 Lakhs)	7,263.00	3,162.90
Packing Material	658.43	531.15
Stores, Spares & Consumables (includes Inventory in Transit ₹ 159.92 Lakhs, previous year ₹ Nil Lakhs)	926.63	1,140.25
Total Inventories	**14,913.58**	**9,857.03**

Consolidated Notes to financial statement for the year ended 31st March, 2017

18. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	488.41	560.75
Other Receivables		
Unsecured, Considered Good*	19,871.04	21,074.96
Total trade receivables	**20,359.45**	**21,635.71**

* Net of bill discounting ₹ 949.19 lakhs (previous year ₹ Nil) under confirmed Letter of Credits (LC)

19. CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	5.04	19.36
Balances with Banks	59.41	140.68
Unpaid dividend a/c *	4.30	5.21
Total (A)	**68.75**	**165.25**
Other Bank balances :-		
Deposits with original maturity for more than 3 months but upto 12 months **	1,412.54	927.36
Deposits with original maturity of more than 12 months **	4.25	161.23
Total (B)	**1,416.79**	**1,088.59**
Less : Amount disclosed under non current assets (refer note no. 16)	0.25	-
Total cash & bank balance (A + B)	**1,485.29**	**1,253.84**

* 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 banks against Bank Guarantee's given/Letter of Credit's established by the bank

20. SHORT TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received		
Advance to suppliers	565.58	1,379.29
Balance with Excise Department	350.70	416.26
Income Tax recoverable (Net of Provision)	176.83	114.62
Vat Recoverable	0.11	0.02
Prepaid expenses	213.68	153.77
Advances to employees	46.59	47.75
Total short term loans & advances	**1,353.49**	**2,111.71**

Consolidated Notes to financial statement for the year ended 31st March, 2017

21. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Export incentive receivable	809.52	378.26
Duty Credit Script/ MEIS in hand	91.90	16.58
Insurance claims receivable	46.07	22.43
Interest Receivable	47.17	47.02
Asset held for Sale (at net book value or estimated net realisable value, whichever is less)	693.29	76.01
Others	152.69	136.82
Total other current assets	**1,840.64**	**677.12**

22. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products	165,750.74	130,696.63
Sale of traded goods	4,558.07	10,839.73
Job work	166.81	82.01
Other operating revenue	451.39	261.35
Revenue from operations (gross)	**170,927.01**	**141,879.72**
Less : Excise Duty	15,867.86	14,057.09
Revenue from operations (net)	**155,059.15**	**127,822.63**

Other operating revenue comprising the following :

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sales of scrap	285.20	186.92
Export incentives earned	166.19	74.43
Total other operating revenue	**451.39**	**261.35**

Sale of products

	Year ended March 31, 2017		Year ended March 31, 2016	
Particulars	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Polyester & polypropylene multifilament yarn	162,768	145,577.84	127,719	108,973.30
Polyester chips	24,601	15,327.36	26,729	17,355.57
Narrow fabrics	2,005	2,380.56	1,794	2,313.06
Polyester, nylon & polypropylene monofilament yarn	424	1,334.60	120	211.64
Other	147	502.91	406	1,371.64
Waste		627.47		471.42
Total		**165,750.74**		**130,696.63**

Consolidated Notes to financial statement for the year ended 31st March, 2017

22. REVENUE FROM OPERATIONS *(contd...)*

Sale of traded goods

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Mono ethylene glycol * # (MT)	1,770	818.64	4,820	2,584.86
Fabric (Qty in Mtr Lakhs)	22	2,904.19	118	7,330.94
Others #		818.94	-	584.12
Total		**4,541.77**		**10,499.92**

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

Sale of traded goods excludes Excise duty ₹ 16.30 Lakhs (previous year ₹ 339.81 Lakhs)

23. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income on		
(i) Fixed deposits	104.14	118.59
(ii) Others	886.77	785.75
Misc Income	2.90	-
Insurance claim under loss of profit policy	-	110.51
Profit from Exchange fluctuation	119.50	-
Dividend on current investment in mutual funds	1.62	4.53
Sundry balances written back	25.67	47.96
Total other income	**1,140.60**	**1,067.34**

24. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw Material	117,602.84	93,299.56
Packing Material	5,128.04	2,920.97
Consumables	535.95	450.04
Total cost of material consumed	**123,266.83**	**96,670.57**

Purchase of Traded goods

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Mono ethylene glycol (MT)	1,770	813.90	4,820	2,439.61
Fabric (Qty in Mtr Lakhs)	22	2,304.73	118	5,361.80
Others	-	685.54	-	580.87
Total purchase of Traded goods		**3,804.17**		**8,382.28**

Consolidated Notes to financial statement for the year ended 31st March, 2017

24. COST OF MATERIALS CONSUMED *(contd...)*

Details of Raw Material Consumed

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Purified terephthalic acid	145,815	65,985.31	119,953	52,298.58
Mono ethylene glycol	56,200	28,240.88	46,004	23,142.20
Polyester chips	18,005	11,462.71	10,248	7,336.29
Polypropylene chips	4,887	4,034.61	5,556	4,591.06
Nylon chips	399	538.22	319	446.13
Others		7,341.11	-	5,485.30
Total Raw Material Consumed		**117,602.84**		**93,299.56**

Inventory of Raw Materials — Value (₹/Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purified terephthalic acid	1,628.04	1,873.05
Mono ethylene glycol	1,906.94	1,091.63
Polypropylene chips	141.80	288.76
Polyester chips	642.02	751.32
Nylon chips	11.97	20.67
Others Raw Material	970.54	673.75
Total	**5,301.31**	**4,699.18**

25. (INCREASE)/ DECREASE IN INVENTORIES

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Closing stock		
- Finished goods	7,263.00	3,162.90
- Work- In- Progress	764.21	323.55
- Stock in Trade	-	-
Total	**8,027.21**	**3,486.45**
Opening stock		
- Finished goods	3,162.90	3,156.35
- Work- In- Progress	323.55	440.81
- Stock in Trade	-	11.60
Total	**3,486.45**	**3,608.76**
- Total (increase)/decrease	**(4,540.76)**	**122.31**

Consolidated Notes to financial statement for the year ended 31st March, 2017

25. (INCREASE)/ DECREASE IN INVENTORIES *(contd...)*

Inventory of Finished Goods

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Polyester, nylon & polypropylene				
- Multifilament yarn	7,237	6,696.69	3,537	2,655.88
- Monofilament yarn	90	97.07	84	103.60
Narrow fabrics	91	95.58	153	163.07
Polyester chips	477	361.56	419	231.90
Waste		12.10		8.44
Total Inventory of Finished Goods		**7,263.00**		**3,162.90**

Inventory of Work in Progress

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Qty (MT)	Value (₹/Lakhs)	Qty (MT)	Value (₹/Lakhs)
Polyester, nylon & polypropylene				
- Multifilament yarn	811	653.42	345	233.72
- Monofilament yarn	9	14.41	15	22.19
Narrow fabrics	105	96.38	72	67.64
Total Inventory of Work in Progress		**764.21**		**323.55**

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	4,279.02	3,650.48
Contribution to provident & other funds	194.20	151.86
Gratuity (refer note no. 39)	95.93	102.77
Staff welfare expenses	125.05	95.59
Total employee benefit expenses	**4,694.20**	**4,000.70**

27. FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest		
- on term loans	2,311.54	1,717.83
- on working capital & others	2,057.41	1,670.02
Bank Charges	588.68	450.27
Premium on forward contracts	736.72	1,280.48
Total finance cost	**5,694.35**	**5,118.60**

Consolidated Notes to financial statement for the year ended 31st March, 2017

28. OTHER EXPENDITURE

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manufacturing Expenses		
Consumption of stores and spares	1,081.08	686.03
Power & Fuel	8,595.58	5,786.59
Increase/(decrease) in excise duty on finished goods inventory	245.37	0.79
Total manufacturing Expenses (A)	**9,922.03**	**6,473.41**
Selling Expenses		
Market Development Expenses	41.48	41.86
Freight outward	1,643.90	780.74
Commission on sales	643.86	456.36
Total selling expenses (B)	**2,329.24**	**1,278.96**
Administration and other expenses		
Rent	165.70	120.55
Repair & Maintenance - Machinery	142.48	91.45
- Building	42.73	65.37
- Others	87.34	83.38
Insurance	131.10	125.03
Rates & taxes excluding taxes on income	35.10	27.66
Auditor's remuneration (refer note no. 32)	16.71	11.28
Exchange fluctuation Loss	-	323.93
Electricity & Water expenses	48.70	49.48
Printing & stationery	33.36	26.43
Postage, telephone & telegram	45.74	38.07
Travelling & conveyance	248.03	196.97
Vehicle running & maintenance	135.81	114.94
Legal & professional charges	141.33	125.60
Director's sitting fees	5.30	3.91
Security services	27.68	38.88
Expenditure towards Corporate Social Responsibility (refer note 31)	19.38	4.50
General expenses	81.44	47.00
Donation & charity (Other than Political Parties)	1.11	1.24
Advertisement & publicity	6.05	4.96
Membership & subscription	15.48	7.99
Loss on sale/discarding of fixed assets [Net of profit of ₹ 7.04 Lakhs (previous year ₹ 3.85 Lakhs)]	31.92	6.97
Bad Debts Written Off	841.69	637.75
Total administrative & other expenses (C)	**2,304.18**	**2,153.34**
Total other expenses (A + B + C)	**14,555.45**	**9,905.71**

Consolidated Notes to financial statement for the year ended 31st March, 2017

29. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net profit/(loss) for calculation of basic/diluted EPS (₹ In Lakhs)	4,116.87	2,621.64
Weighted average number of equity shares for calculating basic & diluted EPS		
Weighted average number of equity shares - Basic	39,719,178	32,000,000
Effect of Dilution:		
Effect of dilutive issue of share warrants convertible into equity shares	3,780,822	502,732
Effect of dilutive issue of stock option (ESOP)	122,941	16,459
Weighted average number of equity shares - Diluted	43,622,941	32,519,191
Basic EPS - in ₹ per share of the face value of ₹ 10/- each	10.36	8.19
Diluted EPS - in ₹ per share of the face value of ₹ 10/- each	9.44	8.06

30. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

i) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Letters of Credits	4,556.97	3,682.92
b) Unexpired Bank Guarantees	2,083.79	2,010.34
c) Export Bill Discounting	949.19	--
d) Excise / Custom duty	777.31	1,202.31
(Mainly relating to reversal of cenvat credit & valuation of texturised yarns)		
e) Income Tax demand on account of :		
- Penalty for the period AY 2001-02 to 2005-06	33.37	33.37
f) Claims against the company not acknowledged as debts	434.89	1,552.08
g) Amount of duty saved on import of plant & machinery under EPCG scheme	310.13	1,848.96

Based on the discussion with the solicitors and as advised, the company believes that there are fair chances of decisions in its favor (in respect of the items listed in (d) to (g) above). Hence, no provision is considered necessary against the same.

ii) Capital & other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Fixed Assets	16,733.11	2,151.00

b) Other commitments :

Export obligation of ₹ 1,860.78 lakhs (previous year (₹ 11,093.79 lakhs) on account of duty saved on import of plant & machinery under EPCG scheme.

Consolidated Notes to financial statement for the year ended 31st March, 2017

31. In light of Section 135 of the Companies Act, 2013, the company has incurred expenses on Corporate Social responsibility (CSR) aggregating to ₹ 19.38 Lakhs (previous year ₹ 4.50 Lakhs).

The following disclosure in respect of CSR expenditure is as follows: (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Gross amount required to be spent by the Company during the year	19.23	4.48
b) Amount spent during the year on the following:		
- Contribution towards education, safe drinking water, rural sports, Healthcare, Swach bharat abhiyan	19.38	4.50

32. STATUTORY AUDITOR'S REMUNERATION (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Audit fees (including fees for limited review)	13.89	8.03
b) Tax audit fees	1.80	1.51
c) Certification charges	0.64	0.13
d) Out of pocket expenses	0.38	0.33
	16.71	**10.00**

33. Details of dues to Micro Small & Medium Enterprises Development (MSMED) Act, 2006 (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
i) The principal amount & the interest due thereon remaining unpaid at the end of the year		
Principal Amount	-	62.13
Interest Due thereon	0.68	-
ii) Payments made to suppliers beyond the appointed day during the year		
Principal Amount	60.01	-
Interest Due thereon	0.68	-
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	0.68	-
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 and in cases of confirmation from vendors, interest for delayed payments has not been provided.

Consolidated Notes to financial statement for the year ended 31st March, 2017

34. SEGMENT REPORTING

I. **Information about primary business segment:** There is only one reportable segment i.e. manufacture and trading of Synthetic Yarn and textiles as envisaged by Accounting Standard 17 'Segment Reporting', prescribed by the Companies (Accounting Standards) Rules, 2006.

II. **Information on Secondary/Geographical Segment:** The Company sells its products to various customers within the country and also exports to other countries. Considering size and proportion of exports to local sales, the Company considers sales made with in the country and exports as different geographical segments.

INFORMATION ABOUT REPORTABLE SEGMENT

a. Revenue as per Geographical Markets (net off rebates & returns) (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue within India (Net of Excise Duty)*	128,149.64	120,790.49
Revenue outside India	26,909.51	7,032.14
Total Revenue (net)	**155,059.15**	**127,822.63**

*Includes Deemed export within India

b. Carrying amount of Segment Assets (Trade Receivables) by geographical location. (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Receivables within India	18,130.14	21,038.37
Receivables outside India	2,229.31	597.32
Total Receivables	**20,359.45**	**21,635.71**

Rest of the current assets are common and not Segregable geographical segment wise.

c. Capital expenditure by geographical location of assets (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
India	12,145.42	14,471.53
Outside India	--	--
Total	**12,145.42**	**14,471.53**

35. FORWARD EXCHANGE CONTRACTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

i) Forward contract outstanding as at Balance Sheet date.

Particulars	Currency	Year ended March 31, 2017	Year ended March 31, 2016
Foreign Currency Term Loan	USD	10,229,171	16,027,878
Foreign Currency Loan (Working Capital)	USD	8,182,633	9,607,694
Buyer's Credits – Raw Material	USD	11,370,787	3,349,745
Import Creditors (including Acceptances)	USD	--	1,090,551
Interest on FCL (Buyer's Credit)	USD	28,322	6,887

Consolidated Notes to financial statement for the year ended 31st March, 2017

35. FORWARD EXCHANGE CONTRACTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE: *(contd...)*

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

Particulars	Currency	Year ended March 31, 2017	Year ended March 31, 2016
Import Creditors (including Acceptances)	USD	14,249,631	7,293,304
	JPY	7,791,000	14,402,800
	Euro	115,344	--
Buyers Credit – Capital Goods	USD	1,824,287	248,249
External Commercial Borrowing (ECB)	EURO	9,022,838	9,638,762
Interest on External Commercial Borrowing	Euro	35,740	38,618
Interest on FCL (Buyers Credit – Raw material & Capital Goods	USD	37,978	9,475
Export sales receivables	USD	4,408,352	608,014
	EURO	--	43,426
Commission on Export sales	USD	75,484	21,520
	Euro	--	3,621
Dealer Security	USD	52,900	52,900

iii) Premium for forward contracts for unexpired period of ₹ 167.97 Lakhs has been carried over to next year (Previous year ₹ 566.40 Lakhs) and will be charged to Profit & Loss Account as and when the underlying transaction will crystallise.

36. EMPLOYEE STOCK OPTION SCHEME:

The Board of Directors of the Company had at its meeting held on February 12, 2016 ,approved grant of 9,50,000 stock options ("options") to the eligible Employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015),at an exercise price of ₹ 37 per option (being the closing price at BSE on February 11,2016 i.e immediately preceding the grant date),each option being convertible in to one Equity Share of the company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

The terms and conditions of the grant as per the Filatex Employee Stock Option Scheme, 2015 (Filatex ESOS 2015) are as under:

A) Vesting period

On completion of 3 Years from the date of grant of options for 60%

On completion of 4 Years from the date of grant of options for 20%

On completion of 5 Years from the date of grant of options for remaining 20%

B) Exercise period

The exercise period will commence from the date of vesting itself and shall be exercised in such period as may be decided and communicated by the Nomination & Remuneration Committee. The options, which have been vested and not exercised within such period, can be carried forward till the last vesting and can be exercised, either partially or wholly, within a period upto one year from last vesting or within such other period and at such time as may be decided and communicated by the Nomination and Remuneration committee, however, the options not so exercised with the period available for exercising of last vesting shall lapse and will not be available for exercise by the employee.

Based on the Guidance note on "Employee Share-Based Payments" issued by The Institute of Chartered Accountant of India, the company has adopted the intrinsic method for accounting for ESOP.

Consolidated Notes to financial statement for the year ended 31st March, 2017

36. EMPLOYEE STOCK OPTION SCHEME: *(contd...)*

The details of the ESOP 2015 plan are:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year	9,50,000	37.00	-	-
Options granted during the year	-	-	9,50,000	37.00
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year	**9,50,000**	**37.00**	9,50,000	**37.00**

The number of shares granted has face value of ₹ 10 each.

The weighted average contractual life of the options outstanding is 2.6 years (previous year is 3.6 years)

37. The details of Specified Bank Notes (SBN's) and other denomination notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as under:

(₹ in Lakhs)

S. No	Particulars	SBN's	Other Denomination Notes	Total
1	Closing cash in hand as on 08.11.2016	16.67	14.92	31.59
2	Add: Permitted Receipts	Nil	22.65	22.65
3	Less: Permitted Payments	0.15	28.79	28.94
4	Less: Amount deposited in Banks	16.52	Nil	16.52
5	Closing Cash in Hand as on 30.12.2016	Nil	8.78	8.78

38. RELATED PARTY DISCLOSURES

(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) Smt. Anu Bhageria (Wife of related party mentioned at a(i) above).
iii) Smt. Shefali Bhageria (Wife of related party mentioned at a(ii) above).
iv) Smt. Gunjan Bhageria (wife of related party mentioned at a(iii) above).
v) Ms. Vrinda Bhageria (Daughter of related party mentioned at a(i) above).
vi) Mr Yaduraj Bhageria (Son of related party mentioned at a(ii) above).
vii) Mr. Vedansh Bhageria (Son of related party mentioned at a(iii) above).

Consolidated Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

c) Enterprises owned or significantly influenced by key managerial personnel:

i) Madhu Sudhan Bhageria (HUF)
ii) Purrshottam Bhaggeria Family Trust
iii) Nouvelle Securities Pvt Ltd
iv) SMC Yarns Pvt Ltd
v) Vrinda Farms Pvt. Ltd.
vi) Maan Softech Private Limited
vii) Azimuth Investment Private Limited
viii) Janus Infrastructure Projects Private Limited
ix) Fargo Estates Private Limited
x) Elevate Developer Private Limited
xi) Hill Estate Pvt. Ltd.

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Rent Paid				
Purrshottam Bhaggeria	1.47			
	(6.22)			
Ram Avtar Bhageria		--		
		(4.00)		
Vrinda Bhageria		8.50		
		(8.28)		
Vedansh Bhageria		8.83		
		(8.28)		
Yaduraj Bhageria		8.83		
		(8.28)		
Madhusudan Bhageria (HUF)				4.58
				(4.14)
Nouvelle Securities (P) Ltd.				3.00
				(9.11)
Vrinda Farms Private Limited				19.80
				(14.40)
Maan Softech Private Limited				12.44
				(10.87)
Purrshottam Bhaggeria Family Trust				17.50
				(8.00)
Hill Estate (P) Ltd.				6.98
				(10.91)
Unsecured Loan taken and interest paid				
Nouvelle Securities (P) Ltd.				
Unsecured Loan				
Taken				1,200.00
				(--)
Repaid				50.00
				(--)
Interest Paid				46.03
				(--)

Consolidated Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Security Deposit Given				
Maan Softech Private Limited				--
				(3.00)
Purrshottam Bhaggeria Family Trust				--
				(3.00)
Security Deposit Repaid				
Ram Avtar Bhageria		--		
		(3.00)		
Purrshottam Bhageria	0.72			
	(--)			
Money received against allotment of convertible warrants				
Anu Bhageria		50.63		
		(16.87)		
Vrinda Bhageria		50.63		
		(16.87)		
Shefali Bhageria		50.63		
		(16.87)		
Yaduraj Bhageria		50.63		
		(16.87)		
Gunjan Bhageria		50.63		
		(16.87)		
Vedansh Bhageria		50.63		
		(16.87)		
Janus Infrastructure Projects Private Limited				911.25
				(303.75)
Fargo Estates Private Limited				540.00
				(180.00)
Equity shares issued upon conversion of share warrants				
Anu Bhageria		67.50		
		(--)		
Vrinda Bhageria		67.50		
		(--)		
Shefali Bhageria		67.50		
		(--)		
Yaduraj Bhageria		67.50		
		(--)		
Gunjan Bhageria		67.50		
		(--)		

Consolidated Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Equity shares issued upon conversion of share warrants				
Vedansh Bhageria		67.50		
		(--)		
Janus Infrastructure Projects Private Limited				1,215.00
				(--)
Fargo Estates Private Limited				720.00
				(--)
Managerial Remuneration (Including Commission)				
Madhusudan Bhageria	87.61			
	(77.00)			
Purrshottam Bhaggeria	81.10			
	(68.84)			
Madhav Bhageria	76.59			
	(67.35)			
Ashok Chauhan	30.28			
	(27.15)			
Rajendra Prasad Gupta	14.50			
	(14.88)			
Raman Jha	6.74			
	(6.08)			
Balance outstanding as on 31.03.2017				
Managerial Remuneration (net of TDS)				
Madhusudan Bhageria	22.29			
	(19.51)			
Purrshottam Bhaggeria	22.29			
	(19.68)			
Madhav Bhageria	22.30			
	(21.03)			
Unsecured Loan				
Nouvelle Securities (P) Ltd.				1,150.00
				(--)
Security Deposit Given				
Vrinda Farms Private Limited				3.60
				(3.60)
Maan Softech Private Limited				3.00
				(3.00)
Purrshottam Bhaggeria Family Trust				3.00
				(3.00)

Consolidated Notes to financial statement for the year ended 31st March, 2017

38. RELATED PARTY DISCLOSURES *(contd...)*

(ii) Transactions with related parties during the year : (₹ in Lakhs)

Nature of Transactions	Key Management Personnel	Relative of key Managerial Personnel	Subsidiary Company	Enterprises owned or significantly influenced by Key Managerial Personnel
Immovable Property mortgaged/Guarantee given against loan taken by the company				
SMC Yarns Pvt. Ltd. (Realisable value of the property as per valuation report dated 05.07.2014)				434.70
				(434.70)
Azimuth Investment Pvt Ltd. (Realisable value of the property as per valuation report dated 14.04.2014)				527.00
				(527.00)
Elevate Developer Private Limited (Realisable value of the property as per valuation report dated 24.03.2017)				3,018.00
				(--)
Satya Bhama Bhageria *		866.00		
Anu Bhageria		(866.00)		
Shefali Bhageria				
Gunjan Bhageria				
Madhu Sudhan Bhageria #	524.04			
	(533.71)			
Purrshottam Bhaggeria #	808.52			
	(754.67)			
Madhav Bhageria #	921.92			
	(916.99)			

Net worth as on 31st March, 2016 (previous year as on 31st March, 2015)

* Property jointly held by related parties and valuation of property as per valuation report dated 14th April, 2014

Grant of stock options during the previous year to key managerial personnel namely, (1) Mr. Ashok Chauhan - 50,000 Shares, (2) Mr. R.P Gupta - 40,000 Share and (3) Mr. Raman Jha - 15,000 Share (refer note no. 36).

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 ₹ 172.84 Lakhs towards provident fund during the year ended March 31, 2017 (previous year ₹ 135.01 Lakhs)

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)

Consolidated Notes to financial statement for the year ended 31st March, 2017

39. EMPLOYEE BENEFITS *(contd...)*

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF OBLIGATIONS		
Present value of obligation at the beginning of the year	362.45	269.59
Current Service Cost	69.75	55.96
Past Service Cost	---	----
Interest Cost	27.18	21.03
Benefits paid	(20.58)	(9.91)
Net actuarial (Gain) / Loss recognized in the year	(1.01)	25.78
Present value of obligation at the end of the year	437.80	362.45
RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION & FAIR VALUE OF PLAN ASSETS :		
Present value of obligation at the end of the year	437.80	362.45
Fair value of plan assets at the year end	---	---
Net Liability recognized in the Balance Sheet	437.80	362.45
COST OF THE YEAR :		
Current service cost	69.75	55.96
Past Service Cost	---	---
Interest Cost	27.18	21.03
Net actuarial (Gain) / Loss recognized in the year	(1.01)	25.78
Net cost recognized during the year	95.93	102.77
ASSUMPTION :		
Discount Rate	7.20%	7.50%
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 details of the ESOP 2015 plan are:

(₹ in Lakhs)

Particulars	GRATUITY				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	437.80	362.45	269.59	194.83	174.42
Plan Assets	---	---	---	---	--
Deficit	437.80	362.45	269.59	194.83	174.42
Experience adjustments on plan liabilities (Loss)/Gain	8.94	(19.26)	(3.84)	8.22	0.98
Experience adjustments on plan assets	--	--	--	--	--

40. (i) The pre-operative expenses incurred for implementation and commissioning of FDY & D-Tex project had been capitalised along with the cost of fixed assets.

(ii) During the current financial year 2016-17, the company has undertaken to put up manufacturing facility of additional 300 MT/day of continuous Bright polymerisation for manufacture of 190 MT per day of Bright Fully

Consolidated Notes to financial statement for the year ended 31st March, 2017

40. *(contd...)*

Drawn Yarn (FDY), 85 MT per day of Bright Chips and 25 MT per day of Bright Partially Oriented Yarn (POY) at its existing plant in Dahej, Gujrat. Indirect expenses attributable to the project have been treated as pre-operative expenses.

Details of pre-operative expenses are as under: (₹ in Lakhs)

Particulars	As at 31.03.2016	Incurred during the 2016-17	Capitalised during 2016-17	Balance as on 31.03.2017
Finance Charges				
Interest	36.66	160.13	118.76	78.03
Bank and other Charges	-	27.13	-	27.13
Subtotal (A)	**36.66**	**187.26**	**118.76**	**105.16**
Administrative Expenses				
General Expenses	-	1.79	-	1.79
Electricity, Power & Fuel	-	10.05	-	10.05
Payments and Benefits to Employee	-	55.97	26.56	29.41
Legal & Professional Expense	-	23.64	6.85	16.79
Travelling & Conveyance Expense	-	20.63	-	20.63
Subtotal (B)	**--**	**112.08**	**33.41**	**78.67**
Total	**36.66**	**299.34**	**152.17**	**183.83**

41. 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 ₹ 165.70 lakhs (Previous Year ₹ 120.55 Lakhs) towards operating lease rentals.

42. PARTICULARS IN RESPECT OF GOODS DEALT WITH BY THE COMPANY:

a) Value of imported and indigenous raw materials consumed (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Percentage (%)	Year Ended March 31, 2016	Percentage (%)
i) **Raw Materials**				
- Imported	31,857.39	27.09	27,142.03	29.09
- Indigenous	85,745.45	72.91	66,157.53	70.91
	117,602.84	**100.00**	**93,299.56**	**100.00**
ii) **Consumable/ Spares**				
- Imported	157.04	9.71	148.97	13.11
- Indigenous	1,459.99	90.29	987.10	86.89
	1,617.03	**100.00**	**1,136.07**	**100.00**

b) Value of Imports on CIF Basis (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
i) Raw Materials (Including Goods in Transit)	33,036.78	25,483.01
ii) Capital Goods	1,202.24	7,879.63
iii) Consumable/Spares	1,458.76	280.94

Consolidated Notes to financial statement for the year ended 31st March, 2017

42. PARTICULARS IN RESPECT OF GOODS DEALT WITH BY THE COMPANY: *(contd...)*

c) Expenditure in Foreign Currency (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
i) Foreign Travel	23.69	22.83
ii) Commission on exports	103.97	60.44
iii) Legal & Professional	--	0.50
iv) Foreign Bank Charges	54.63	113.01
v) Credit Guarantee Insurance	--	481.00
vi) Interest on Buyer's Credit/ FCTL	1,100.28	1,058.26

d) Earnings in Foreign Exchange (₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
FOB Value of Export of Goods (excluding deemed exports)	23,393.47	6,501.62

43. Exceptional item includes profit of ₹ 92.47 lacs on account of sale of land and a loss of ₹ 436.90 lacs on account of settlement of dispute with a supplier.

44. Share of Parent Company and subsidiaries in net assets and profit & loss as required in schedule III of Companies Act 2013.

Name of Entity	Net Assets i.e Total Assets - Total Liabilities		Share in Profit or loss	
	As % of Consolidated Net Assets	Amount (In ₹ Lacs)	As % of Consolidated Profit or Loss	Amount (In ₹ Lacs)
Filatex India Limited	100.00%	28,955.25	100.08%	4,120.35
Filatex Global PTE Ltd	0.00%	(2.24)	(0.08%)	(3.47)
Minority Interest in Subsidiary	Nil	Nil	Nil	Nil

45. Figures have been rounded off to rupees in Lakhs 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

VIRENDRA KUMAR
Partner
Membership No. 85380

Place : New delhi
Date : May 09, 2017

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN:00021934

S.C. PARIJA
Independent Director
DIN: 00363608

B.B. Tandon
Independent Director
DIN: 00740511

R.P. GUPTA
Chief Financial Officer

RAMAN KUMAR JHA
Company Secretary

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Filatex India Limited

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New Friends Colony,
New Delhi – 110025

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Fax: +91-11-26849915
Email: secretarial@filatex.com
www.filatex.com
CIN: L17119DN1990PLC000091

FILATEX INDIA LIMITED

S. NO. _____

CIN: L17119DN1990PLC000091

REGD. OFFICE: SURVEY NO. 274, DEMNI ROAD, DADRA (U.T. OF DADRA & NAGAR HAVELI) 396 193

ADMISSION SLIP

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

NAME AND ADDRESS OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
Folio No./DP Id/Client ID No.:	
No. of shares held:	
NAME OF THE PROXY (IN BLOCK LETTERS, TO BE FILLED): IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER	

I HEREBY RECORD MY PRESENCE AT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON MONDAY, 25TH SEPTEMBER, 2017 AT 9.30 A.M. AT SURVEY NO. 274, DEMNI ROAD, DADRA (U.T. OF DADRA & NAGAR HAVELI) 396 193.

Signature of the Member/Proxy:

Note: Jointholder(s) intending to attend the meeting are requested to obtain additional Admission slip from the Registered/Corporate Office of the Company on or before 23rd September, 2017 to avoid inconvenience.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

(Please tear here)

FILATEX INDIA LIMITED

CIN: L17119DN1990PLC000091

REGD. OFFICE: SURVEY NO. 274, DEMNI ROAD, DADRA (U.T. OF DADRA & NAGAR HAVELI) 396 193

FORM NO. MGT-11 (PROXY FORM)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)	
Registered address :	
E-mail Id :	
Folio No/ Client Id	DP ID :

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	Or failing him			
2.	Name			
	Address			
	E-mail Id		Signature	
	Or failing him			
3.	Name			
	Address			
	E-mail Id		Signature	
	Or failing him			

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on Monday, 25th September, 2017 at 9.30 A.M. at Survey No. 274, Demni Road, Dadra (U.T. of Dadra & Nagar Haveli) 396 193 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	To consider and adopt the Financial Statements (Standalone & Consolidated), Directors' Report and Auditors' Report for the financial year 2016-17		
2.	To re-appoint Shri Purrshottam Bhaggeria (DIN:00017938), who retires by rotation		
3.	To appoint the Statutory Auditor		
4.	To ratify the remuneration of Cost Auditors		

Signature _____

Date_____

Affix Re 1/- Revenue Stamp

Note:

1. Proxy Form must reach the Company's Registered Office not less than 48 hours before the scheduled time of the Meeting.
2. The Instructions of Shareholders for e-voting are given in the notes of AGM Notice
3. Route Map is given on the backside of this Form/Slip.

ROUTE MAP OF AGM VENUE

