



FILATEX FASHIONS LTD.

Annual Report 2016-2017

BOARD OF DIRECTORS

| | | |
|---------------------------|---|-------------------|
| Mr. Prabhat Sethia | - | Managing Director |
| Mrs. Sangeeta Sethia | - | Director |
| Mr. Sanjay Ishwarlal Bora | - | Director |
| Mr. Raghu Raj | - | Director |
| Mr. Nortan Bothra | - | Director |
| Mr. Subhash Kothari | - | Director |
| Mr. D.P. Kelkar | - | Director |

Registered Office: May Fair Gardens, 8-2-682/3/A & 3B,
Flat No 201, 2nd Floor, Road No 12,
Banjara Hills, Hyderabad – 500034,
Telangana

Works Alinagar Chettla Potharam Village,
Jeenaram Mandal, Medak District

Bankers: Axis Bank Ltd, Andhra Bank &
Karur Vysya Bank Ltd.,

Auditors: M/s. N.G. RAO & Associates.
Chartered Accountants, Hyderabad

Registrars And Share Transferors M/s. Sharex Dynamic (India) Pvt Ltd.,
Unit No.1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri(E), Mumbai-400072.
Phone:022-28515606, Fax. 022-28512885.



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NOTICE OF THE TWENTY THIRD ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Third Annual General Meeting of FILATEX FASHIONS LIMITED (CIN: L51491TG1994PLC017158) will be held at 10.00. a.m. on **Friday, the 29th day of Spetember 2017** My Fair Gardens, 8-2-682/3/A & 3B Flat No 201, 2nd Floor, Road No 12 ,Banjara Hills Hyderabad TG 500034 to transact the following:

ORDINARY BUSINESS:

To consider and if thought fit, to pass, with or without modification(s), the following resolutions, as Ordinary Resolutions:

1. To receive, consider and adopt the Financial Statement of the Company for the financial year ended March 31, 2017:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2017 together with the reports of the Auditors thereon be and are hereby received, considered and adopted."

2. Re-appointment of Mr. Prabhat Sethia (DIN: 00699415), as a Director liable to retire by rotation:

"RESOLVED THAT Mr. Prabhat Sethia (DIN:00699415), who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

3. Appointment of M/s N G Rao & Associates, Chartered Accountants, Secunderabad as Auditors of the Company and to fix their remuneration:

"RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules) including any statutory modifications or re-enactments thereof for the time being in force, M/s N G Rao & Associates, Chartered Accountants, Hyderabad (Registration No.009399S) who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, at such remuneration as may be agreed upon between the Auditors and the Board of Directors, in addition to actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes."

By Order of the Board
Hyderabad,
1st September, 2017.

Registered office:
Mayfair Gardens,
8-2-682/3/A & 3B, Flat No 201, 2nd Floor,
Road No 12 ,Banjara Hills, Hyderabad TG 500034
Tel: 040-667948931, Fax No. 040-66748930

Prabhat Sethia
Managing Director



Pursuant to the Secretarial Standards notified by ICSI under Section 205 of the Companies Act, 2013 which is effective from 1st July, 2015, Shareholders may please note that no Gifts/ Compliments shall be distributed at the venue of the meeting. Shareholders are requested to note that accompanying guests/ family members other than shareholder/ proxy are not allowed to attend the meeting.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on 1st September, 2017.

4. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice of 23rd Annual General Meeting, Annual Report, notice of e-voting etc. at their registered address through permitted mode.

Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company at its registered office address or to the RTA, M/s. Sharex Dynamic (India) Private Limited, Registered office: Unit -1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, Andheri-kurla Rd., Safed Pool, Andheri (E) Mumbai 400072.

5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Relevant documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during the business hours up to the date of the Meeting. pany on all working days, except Saturdays, during the business hours up to the date of the Meeting.



8. The Company has notified that the Register of Members and Share Transfer Books will be closed from 27th September 2017 to 29th September, 2017 (both days inclusive) in connection with the ensuing Annual General Meeting.

9. In terms of Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, will be transferred as per the details mentioned below to the Investor Education and Protection Fund (IEPF). Since the members who have not encashed their dividend warrant for respective financial years, are requested to write to the Company/Registrar and Share Transfer Agents before said below due date.

| S. No | Details of the Unpaid Dividend Accounts | Date of declaration | Due date to transfer to IEPF |
|--------------|--|----------------------------|-------------------------------------|
| 1 | Unpaid Dividend A/c 2009-10 | Nil | Nil |
| 2 | Unpaid Dividend A/c 2010-11 | Nil | Nil |
| 3 | Unpaid Dividend A/c 2011-12 | Nil | Nil |
| 4 | Unpaid Dividend A/c 2012-13 | Nil | Nil |
| 5 | Unpaid Dividend A/c 2013-14 | Nil | Nil |
| 6 | Unpaid Dividend A/c 2014-15 | Nil | Nil |
| 7 | Unpaid Dividend A/c 2015-16 | Nil | Nil |

10. Details of Unclaimed Shares:

The details of shares remaining unclaimed in the unclaimed suspense account are furnished in Corporate Governance Report forming part of this Annual Report.

11. Members holding shares in dematerialized mode are requested to instruct their respective Depository Participants regarding Bank Accounts in which they wish to receive the dividend. However, the Bank details as furnished by the respective Depositories to your Company will be used for the purpose of distribution of dividend and other entitlements through National Electronic Clearing Service (NECS) or any other method of direct credit as directed by the Stock Exchanges. Your Company/Registrar and Share Transfer Agents will not act on any direct request from Members holding shares in dematerialized form for change/deletion of such Bank details.

12. Members holding shares in physical form, are requested to inform the Company/ Registrar and Share Transfer Agents - Sharex Dynamic (India) Private Limited (Sharex) of any change in their addresses immediately for future communication at their correct addresses and Members holding shares in demat form are requested to notify change of address and bank mandates to their Depository Participants.

13. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Transfer Agents to enable them to consolidate their holdings into one folio



14. As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 brief information/resume, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding (in case of Non-executive Director) and relationships between directors inter-se, of Directors being appointed/reappointed, are annexed. Mr. Prabhat Sethia and Mrs. Sangeeta Setia are relatives of each other.

15. Members requiring any clarification/information on any report/statements, are requested to send their queries to the Registered Office of the Company, at least 10 days before the date of the AGM.

16. Members are requested to quote their folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Registrar and Share Transfer Agent.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Sharex.

18. In compliance with the provisions of Section 108 of the Companies Act, 2013 and rules made thereunder read with Regulation 44 of SEBI (LODR) Regulations, 2015, Members have been provided with the facility to cast their vote electronically, through the e-voting services from a place other than the venue of the Meeting ("remote e-voting") provided by Sharex Dynamic (India) Private Limited on all resolutions set forth in this Notice.

19. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting through ballot / polling paper.

20. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.

21. Notice of the 23rd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same.



22. For members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

23. Mr. Vinod Sakaram, a Practising Company Secretary (ACS:23285; CP:8345) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

24. The remote e-voting facility will be available during the following period:

| | |
|---------------------------------|---|
| Commencement of remote e-voting | : From 10:00 a.m. (IST) on Sep 26, 2017 |
| End of remote e-voting | : Upto 5:00 p.m. (IST) on Sep 28, 2017 |

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Sharex upon expiry of aforesaid period.

25. The voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. 22nd September, 2017.

26. 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 i.e. 22nd September, 2017 shall only be entitled to avail the facility of remote e-voting / physical voting.

27. The instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 26-09-2017 10 AM and ends on 28-09-2017 05 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.



(v) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| <i>For Members holding shares in Demat Form and Physical Form</i> | |
|--|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p> |

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

30. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

**Important Communication to Members**

In an effort to make the Earth a better place to live, the green movement has been sweeping all over the globe. Not only are individuals doing things to help the environment, companies and governments are as well. The Companies Act, 2013 is a step forward in promoting "Green Initiative" by providing for service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement. To support this green initiative of the Government in full measure, in order to save the natural resources, Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

**Details of Directors seeking re-appointment in the
forthcoming Annual General Meeting**

(Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015)

| | |
|--|----------------------------------|
| Name of the Director | Mr. Prabhat Sethia |
| Date of Birth | 13 September, 1961 |
| Date of Appointment | 08-03-1994 |
| Qualification | Graduate |
| Expertise in specific functional area | Industry Experience |
| Directorship in other Indian Public Limited Companies | Illuminati Constructions Limited |
| Chairman (C) / Membership(M) of Committees in other Indian Public Limited Companies* | NIL |
| No of shares held in the Company | NIL |

* Only two Committees namely, Audit Committee and Stakeholders' Relationship Committee have been considered.

**REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS
TO SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 2017**

Your Directors have pleasure in presenting their 23rd Annual Report and Audited Accounts for the year ended 31st March 2017.

1. FINANCIAL RESULTS :

| | | 2016-17 Rupees | 2015-16 Rupees |
|----------------------------|--|---------------------------|---------------------------|
| Profit Before Taxation | | (15,52,518) | (3,89,145) |
| Taxation: | | | |
| Current Tax - Current Year | | 600,000 | |
| - Previous Year | | | |
| Deferred | | 707,586 | (65,830) |
| MAT Credit | | | |
| Profit After Taxation | | 244,932 | (3,23,315) |

The Company has actively engaged in manufacturing of Socks and actively finding out the venues of e-commerce in the Fashions Industry.

2. DIVIDEND

No Dividend Recommended for the financial year.

3. OPERATIONS

The total turnover of the Company was Rs. 38.34 crores (previous year - Rs. 35.20 crores). The profit before exceptional items and taxation was Rs15,52,518/-.

4. DIVISIONAL PERFORMANCE

The Company operates in only one Business Operations

5. CAPITAL

The Company has not increased its Authorized Capital of the Company during the financial year and there is no change in the capital structure of the Company.

6. INTERNAL CONTROL SYSTEMS

Your Company has in place a robust Internal and Financial control systems which assists the Board and Management to fulfill business objectives, safeguards the shareholders' interest, financial transactions and company's assets. The primary objective of our internal control framework is to ensure that internal controls are established, properly documented, maintained and adhered to in each functional department for ensuring orderly and efficient conduct of business which includes proper use and protection of the Company's resources, accuracy in financial reporting, compliance with the statutes, timely feedback on achievement of operational and strategic goals. The Company's internal control system, is driven by well defined policies and procedures across its business divisions. In addition the Company is ISO 9001:2008 compliant which provides added comfort to our business partners and regulatory bodies.



The Company has an Internal Audit function which provides the Audit Committee and the Board of Directors an independent, objective and assurance of the adequacy, efficiency and effectiveness of the Organization's risk management, internal and financial control and corporate governance processes. The Audit Committee / Board approved annual audit plan prepared in consultation with business heads and inputs obtained from the Company's statutory auditors ensures coverage of significant areas of operations with a risk based approach in order to conduct the audit in an efficient and timely manner. Process reviews for critical functions at all locations are performed in accordance with the audit plan. The function also assesses opportunities for improvement in business processes, systems and controls; provides recommendations to the Senior Management.

The Audit Committee of the Board of Directors regularly meets to review the significant audit findings, action taken thereon, adequacy of internal and financial controls and implementation of various comprehensive policies. During the year, the Audit Committee met six times to review the reports submitted by the Internal Audit Department. The Audit Committee also regularly meets the Company's Statutory Auditors to ascertain their views on the business, adequacy of the internal control systems in the Company and their observations on the financial reports.

7. PUBLIC DEPOSITS

There are no outstanding public deposits at the beginning of the year under review. The Company has not accepted any public deposits during the year under review. The Board of Directors of the Company will consider accepting fresh public deposits at the appropriate time, in view of the regulatory changes under the Companies Act 2013.

8. TAXATION

The Company has paid up to date the Tax Liabilities other than those explained at point no. 8 of Annexure to Auditors report.

9. SUBSIDIARIES :

The Company has no subsidiaries during the Financial year.

10. HUMAN RESOURCES / INDUSTRIAL RELATIONS :

The Manufacturing unit has continued to maintain cordial industrial relations, with low absenteeism while maintaining output levels.

Programs were conducted to improve the competency levels of workmen.

Staff Welfare

The Unit has its commitment to recognizing employee performance by conducting employee of the Month awards to recognize exceptional performances by employees and inculcating a commitment to perform beyond the regular roles and responsibilities.

Safety

Various programmes have been conducted during the year covering Safety Awareness, Alteration Authority, Job Safety Analysis (JSA), Hazard Identification, Risk Assessment, Risk Control (HIRARC). In addition, Internal / External Safety Audits; Safety Committee Meetings on regular basis; Job Study Analysis; HIRA / HAAZOP studies, SQC ; First Aid Training; Fire & Safety aspects and Emergency Rescue methods, have helped to strengthen the overall safety and disaster management processes in the Hyderabad Factory.

**Preventive Health Check-ups**

As part of preventive healthcare, the Factory organized series of free medical check-ups, consisting of Diabetes, Cardiology, Orthopedic and General Medical Check up, to all the employees.

Security

As part of enhanced security of the Unit and other assets of the, compound walls have been reinforced, height raised and fencing of barbed wire & concertina coils provided. Other measures include CC TV monitoring at Key areas especially magazines relaying of patrolling route, erection of watch towers and construction of additional Security Check posts, installation of tower flood lights for better night illumination, installation of guard monitoring systems for effective patrolling checks. Communication systems from magazines, watch towers through land lines have been streamlined. As such over the years considerable additions and precautions have been added to strengthen the Security of the Factory.

Employment Practices

The Company believes in fair employment practices and is committed to provide an environment that ensures that every employee is treated with dignity and respect and afforded equitable treatment. The Company has a large proportion of women on the workforce and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has not received complaints in this regard, during the year.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any Loans, Guarantees or Investments during the Financial year,

12. OUTLOOK FOR THE CURRENT YEAR, OPPORTUNITIES AND THREATS**Overview of the Economy:**

The merchandise exports from India have remained stagnant between US \$ 302 to US \$ 314 billion in the last three financial years. India's share is a mere 2% in Global trade, where as that of China is around 11.7% (2013). The Foreign Trade Policy 2015-2020 announced in April 2015 has set a target of 3.5% by 2020-21 for India.

In the last two/three years, the exporting units were big beneficiaries of Indian rupee depreciation. The rupee has been strengthening against Several Currencies, resulting in erosion of both realisation and profit for exporters. This is one cause for the deceleration in exports

In Foreign Trade Policy 2015-2020 announced in April 2015, a new scheme named MEIS (Merchandise Exports From India Scheme) has been introduced where by the exporters will get incentive of 2% of FOB value in respect of merchandise falling under ITC (HS) code 61 - Knitted Apparels (including socks) exported to United Kingdom and United States of America etc (but not Switzerland and Gulf countries). This scheme is in substitution of earlier MLFP scheme (market linked focal product) which was off and on introduced and withdrawn.

Industry Structure and Development

The Indian textile industry, including hosiery and clothing, is one of the leading sectors of the Indian economy and contributes significantly to the country's industrial output (14%). It employs 35 million people in direct employment and earns much needed foreign currency with 17% of India's exports coming from Textiles and Garments. Overall, it contributes around 5% to India's GDP.

Textiles and apparel exported from India consume mainly indigenous inputs and are, therefore, big earners of net foreign exchange. This helps the country reduce its current account deficit.



Value of socks manufactured in India is estimated around 3000 crores per annum. Many major socks manufacturers in India are supplying their socks in the domestic market as licensees of international brands. Only a few supply under their own brand name.

Opportunities

Your Company is well poised to seize opportunities available in the sock knitting industry on account of its state-of-the-art production facilities, technical expertise, good quality culture and emphasis on product innovation and growth potential.

Your Company is meeting international quality norms of comfort, stretch, sizing, skin care and other parameters essential for inner wear intimate apparel. They also meet the fashion demands in terms of design, different knits and multiple shades. The socks manufactured by your Company are sold in Supermarket Chains and upper end Retail Stores.

The growing young middle-class population is a source of great potential and provides immense opportunities to spurt growth in the sock industry in the future.

For duty drawback on export shipments, "cap per unit" was raised upwards (more than double, say 2.25-2.50). Your Company is knitting super sophisticated design socks for a reputed international brand selling socks in big outlets at high prices. This gives great goodwill to your Company, as the name of your Company is mentioned on the band rolls of the socks of that brand.

All major overseas customers of your Company insist on social audits to be carried out in the factory at least once in two years, by the internationally acclaimed "Business Social Compliance Initiative Agencies". Such audits cover compensation to employees, health, safety, environment and management practices. New customers also insist on such audits to be conducted, before they start the business. The compliance of such audits to International Standards, brings healthy and ethical culture in working and creates goodwill of the Company among its clients. Your Company has successfully complied with many such audits and has thus ensured continuance of business with major clients for long periods.

Threats:

Your Company derives about 91% of its revenue from the export market. Economic slowdown or decline in demand in the country of buyer of your Company's products will have adverse impact on the working of the Company.

In the international market, countries like Turkey have developed an edge over the Indian manufacturers due to reduced freight cost and much reduced delivery time. Besides, Turkey enjoys exemption of 10.6% custom duty in relation with EU countries. This has posed a threat to the Indian socks suppliers and may pressurise them to reduce prices and thereby squeeze their margins. Even Bangladesh enjoys exemption in import duty by virtue of its being a less developed country and exports goods at prices which Indian socks suppliers cannot compete.

The major challenge that the textile, apparel and hosiery industry faces is of ever increasing production costs arising out of rising wages, power and other overheads.

Rupee has become strong against several foreign currencies from mid 2014. This has already adversely impacted the topline and bottom line of the exporting units, when compared with their last two/three years' performances.

**13. DIRECTORS**

In accordance with the provisions of the Companies Act 2013 and the Articles of Association of the Company Mr. Sangeeta Sethia retires by rotation at the 22nd Annual General Meeting of the Company and is eligible for reappointment.

The number and details of the meetings of the Board and other Committees are furnished in the Corporate Governance Report.

The Independent Directors have furnished declaration of independence under Section 149 of the Companies Act 2013.

Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes on a continuing basis. The Familiarisation programme for Independent Directors is disclosed on the Company's website.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 13th Feb, 2015, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
 - Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
 - Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- All the Independent Directors attended the Meeting of Independent Directors

Board & Directors' Evaluation

Pursuant to the provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015 of the Listing Agreement, the Board, its Committees and the Directors have carried out annual evaluation / annual performance evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was carried out by the entire Board.

The Criteria for performance evaluation are follows:

Role & Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.



Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

Leadership & Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

Personal Attributes

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

Directors' Appointment and Remuneration Policy

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company and formulates the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Clause 49 of the Listing Agreement. The Board has, on the recommendations of the Nomination & Remuneration Committee framed a policy for remuneration of the Directors and Key Managerial Personnel. The objective of the Company's remuneration policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of Company's stakeholders.

The Non-Executive Directors (NED) no sitting fee is paid to non-executive directors. NEDs are reimbursed any out of pocket expenses incurred by them in connection with the attendance of the Company's Meetings.

PARTICULARS OF EMPLOYEES AND REMUNERATION

There are no employees in the company calling the information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as '**Annexure to the Directors Report**'.

15. INFORMATION ON STOCK EXCHANGES

The Equity shares of the Company are listed on BSE Limited and the Listing Fees have been paid to them up-to-date.

**16. CORPORATE GOVERNANCE**

A detailed report on the subject forms part of this report. The Statutory Auditors of the Company have examined the Company's compliance and have certified the same as required under the SEBI Guidelines. Such certificate is reproduced in this Annual Report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act 2013:

- (a) that in the preparation of the annual accounts/financial statements for the financial year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the accounting policies as mentioned in the financial statements were selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts were prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

18. AUDITORS**Statutory / Financial Audit**

M/s N G Rao and Associates, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment will be within the limits prescribed under Section 141 of the Companies Act, 1956.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vinod Sakaram, a Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as 'Annexure to the Directors Report'.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act 2013 and other applicable provisions, the Company has constituted Corporate Social Responsibility Committee consisting of Mr. Sanjay I Bora, Chairman of the Committee (Independent Director), Mr. Prabhat Sethia (Executive Director and Chairman of the Company) and Mr. D.P. Kelkar (Independent Director) as the Members of the Committee. The Committee met once during the year and laid down the policy on Corporate Social Responsibility stating therein the objectives, implementation and other issues pertaining to the achievement of the CSR objectives of the Company.



The businesses of the Company do not have eligible profit on aggregate basis during the last three financial years.

The CSR Policy of the Company is displayed on the website of the Company.

20. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the requirements of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are displayed on the website of the Company. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company

21. RELATED PARTY TRANSACTIONS

All related party transactions / arrangements that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

All related party transactions / arrangements are placed before the Audit Committee for prior approval, supported by a statement from the Management as to the adherence of arm's length basis and being the ordinary course of business.

The policy on Related Party Transactions as approved by the Board is displayed on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations

23. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as 'Annexure to the Directors Report'.

**ACKNOWLEDGMENTS**

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government of India and various State Government authorities and agencies, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of all employees of the Company.

For and on behalf of the Board of Directors

Place : Hyderabad

Date :September 1, 2017

Prabhat Sethia
Managing Director

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.



**ANNEXURE TO THE BOARD'S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO
[Section 134(3)(m) of The Companies Act, 2013
read with Rule 8(3) of The Companies (Accounts) Rules, 2014]**

A. CONSERVATION OF ENERGY

- a) Steps taken or impact on conservation of energy: Nil
- b) Steps taken by the company for utilising alternate sources of energy: Nil
- c) The capital investment on energy conservation equipments: Nil

B. TECHNOLOGY ABSORPTION: Nil

| | |
|---|--|
| (a) the details of technology imported; | Not Applicable as there was no import of technology during the last three years. |
| (b) the year of import; | |
| (c) whether the technology been fully absorbed; | |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | |

C) Expenditure on R&D

| | 2016-17 | (Rs. in lakhs) 2015-16 |
|--|---------|---------------------------|
| (a) Capital Expenditure | -- | -- |
| (b) Recurring Expenditure | -- | -- |
| (c) Total Expenditure | -- | -- |
| (d) Total Expenditure on R&D as a percentage of total turnover | -- | -- |

D) FOREIGN EXCHANGE EARNINGS & OUTGO:

| | 2016-17 | 2015-16 |
|---|---------|---------|
| Total Foreign Exchange used and earned in terms of actual inflows and actual outflow: | | |
| Used / Outflow | Nil | Nil |
| Earned / Inflow | Nil | Nil |

**ANNEXURE TO THE DIRECTOR'S REPORT****[Pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(Explanation: (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values).

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2016-17 are given below:

| Managing Director | Percentage Increase in Remuneration |
|--------------------|-------------------------------------|
| Mr. Prabhat Sethia | Nil |

The current Chief Financial Officer is appointed in the Company during current financial year. Hence, increase of CFO remuneration is not applicable.

3. The percentage increase in the median remuneration of employees in the financial year: 2%

4. The number of permanent employees on the rolls of Company: 10.

5. The explanation on the relationship between average increase in remuneration and Company performance: Remuneration of employees has a close linkage with the performance of the Company. The Variable Pay (VP) component in the remuneration for all the management staff, has a direct correlation with the Company's performance. VP is calculated based on both individual and Company performance. Component of VP has a higher weightage for senior positions and lower weightage for junior positions.

6. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is Nil as against an increase of Nil in the salary of the Managing Director (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time.

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: The highest paid Director is the Managing Director. No employee has received remuneration in excess of the Managing Director during the year.

12. Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.



Statement of particulars of employees pursuant to Rule 5(2) and (5)(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Directors' Report for the financial year ended 31st March, 2017

| Name of the Employee | Age (years) | Designation/ Nature of Duties | Qualification | Experience (years of employment) | Date of Commence- ment | Remuneration (Rs. in lakhs) | Last Employment / Position held | % of equity shares held in the Company |
|------------------------------|-------------|----------------------------------|---------------|----------------------------------|---------------------------|-----------------------------|---------------------------------|--|
| EMPLOYED THROUGHOUT THE YEAR | | | | | | | | |
| 1. Prabhat Sethia | 53 | Managing Director | B.Com | 26 | Since Inc | 9.00 | | 3.99% |

Notes:

1. Nature of employment is contractual or as per Agreement wherever applicable. Other terms and conditions applicable to them are as per Company's rules.
2. None of the employees is a relative of any Director of the Company.
3. Shares held by Mr. Prabhat Sethia -- 1159700



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company will continue to be in the forefront of its diverse interests and sustain growth activities through emphasis on Total Quality Management, adoption of emerging technologies, innovation through research, good corporate governance, adherence to fair business practices and effective use of physical, technological, Research & Development (R&D), information and financial resources, thus fulfilling the aspirations of customers, shareholders, employees and financiers.

2. BOARD OF DIRECTORS

(A) Composition: The Board of Directors of the Company headed by a Non-executive Chairman consists of the following Directors as on 31st March, 2017 as indicated below:

| | |
|------------------------------|----------------------|
| (i) Non-Executive Directors: | |
| (a) Promoter Group | Mr. Prabhat Sethia |
| | Mrs. Sangeeta Sethia |
| (b) Independent | Mr. Sanjay I Bora |
| | Mr. Norton Bohtra |
| | Mr. D.P. Kelkar |
| | Mr. Subash Kothari |

(B) Attendance of each director at the Board Meetings, last Annual General Meeting (AGM) and the details of membership / Chairmanship of Directors in other Board and Board Committees:

| Name of the Director | Number of Board Meetings Attended | Whether attended last AGM | Number of Memberships of other Boards as on 31st March, 2017@ | Number of Memberships of other Board Committees* | Number of Chairmanships in other Board Committees* |
|----------------------|-----------------------------------|---------------------------|---|--|--|
| Mr. Prabhat Sethia | 5 | Y | 3 | 0 | 0 |
| Mrs. Sangeeta Sethia | 5 | Y | 1 | 0 | 0 |
| Mr. Sanjay I Bora | 5 | Y | NA | NA | NA |
| Mr. Norton Bohtra | 5 | Y | 0 | 0 | 0 |
| Mr. D. P. Kelkar | 5 | N | 0 | 0 | 0 |
| Mr. Subash Kothari | 5 | N | 0 | 0 | 0 |

@ Includes private limited companies and companies registered outside India.

* As per explanation to Clause 49.II (D), only Audit Committee and Stakeholders Relationship Committee have been considered

**Board Agenda**

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may take up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Information placed before the Board

Apart from the items that are required to be placed before the Board for its approval, the following are also tabled for the Board's periodic review / information, as applicable:

- Performance against plan including business-wise financials in respect of revenue, profits, cash flow, balance sheet, investments and capital expenditure.
- Periodic summary of all long term borrowings and applications thereof.
- Internal Audit findings (through the Audit Committee).
- Status of safety, security and legal compliance.
- Status of business risk exposures, its management and related action plans.
- Show cause, demand and adjudication notices, if any, from revenue authorities, which are considered material.
- Information on strikes, lockouts, retrenchment, fatal accidents, etc., if any
- Write offs / disposals (fixed assets, inventories, receivables, advances, etc.)

(C) Brief profiles of the Directors being appointed / re-appointed have been given in the Directors' Report.

(D) Details of Board Meetings held during the Year 2016-17

| Date of the Meeting | Board Strength | No. of Directors Present |
|----------------------------|----------------|--------------------------|
| 30 th May, 2016 | 6 | 6 |
| 14 th Aug, 2016 | 6 | 6 |
| 14 th Nov, 2016 | 6 | 6 |
| 02 nd Dec, 2016 | 6 | 6 |
| 14 th Feb, 2017 | 6 | 6 |

(E) Code of Conduct

The Board has laid down Code of Conduct for its Directors and Senior Management of the Company. The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended 31st March, 2017. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

Mr. Sanjay I Bora held 500 equity shares (of Rs. 5/- each) and none of the other non-executive directors hold any shares in the Company.



3. AUDIT COMMITTEE

Terms of reference:

The terms of reference of Audit Committee encompass the requirements of Section 177 of Companies Act, 2013 and SEBI (LoDR) Regulations 2015.

The terms of reference inter-alia includes

1. Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment and removal of external auditor and fixation of audit fees and also approval of payment for any other services.
3. Reviewing, with the management, the annual financial statements before submission to the Board focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and other legal requirements relating to financial statements.
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. To Review in Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to depositors, debenture holders.

Further to the above the following additions were made by Board at its meeting held on 8th May 2014.

**Mandate, Role and Responsibilities of the Audit Committee:**

As specified under the Companies Act, 2013, and the Rules made thereunder, Listing Agreement, SEBI Regulations and regulatory requirements that may come into force from time to time; and as may be mandated by the Board of Directors from time to time.

Composition of the Audit Committee as on March 31, 2017:

| Name | Designation |
|---------------------|--------------------|
| Mr. D. P. Kelkar | Chairperson |
| Mr. Subhash Kothari | Member |
| Mr. Sanjay I Bora | Member |

The Audit Committee consists of Independent Directors as members.

Meetings and Attendance:

Five Audit Committee Meetings were held during the year ended 31st March 2017. The maximum time gap between any of the two meetings was not more than four months.

Audit Committee Meetings held during the year 2016-17 and attendance details:

| Date of the Meeting | Committee Strength | No. of Directors Present |
|---------------------------------|---------------------------|---------------------------------|
| 26 th May, 2016 | 3 | 3 |
| 14 th August, 2016 | 3 | 3 |
| 14 th November, 2016 | 3 | 3 |
| 02 nd December, 2016 | 3 | 3 |
| 14 th February, 2017 | 3 | 3 |

Managing Director, Chief Financial Officer and Vice President-Internal Audit are invitees for all the Audit Committee Meetings.

The Statutory Auditors of the Company are invited to join the Audit Committee in the meetings for discussing the financial results, financial statements and the Annual/Audited Accounts before placing it to the Board of Directors.

**4. NOMINATION & REMUNERATION COMMITTEE**

The terms of reference of Nomination & Remuneration Committee encompass the requirements of Section 178 of Companies Act, 2013 and SEBI (LoDR) Regulations 2015.

The key role of this Committee is as follows:

- Provide oversight on Strategic Human Capital issues.
- Search for, evaluate, shortlist and recommend the incumbent for the position of Managing Director and other Directors and their engagement terms to the Board.
- Evaluate and approve for appointment candidates recommended by Managing Directors for key senior positions.
- Review the Succession Plan for Critical Positions and suggest actions.
- Have the responsibility for setting the remuneration for the Managing Director and Whole Time Directors. Review remuneration for the Key Managerial Personnels of the Company. Remuneration in this context will include salary, and performance based variable component and any compensation payments, such as retiral benefits or stock options.

Further to the above the following additions were made by Board at its meeting held on 8th May 2014.

Mandate, Role and Responsibilities of the Nomination and Remuneration Committee :

As specified under the Companies Act, 2013, Rules under the Companies Act 2013, Listing Agreement, SEBI Regulations and regulatory requirements that may come into force from time to time; and as may be mandated by the Board of Directors from time to time.

Composition of the Nomination and Remuneration Committee as on March 31, 2017:

| Name | Designation |
|---------------------|--------------------|
| Mr. Sanjay I Bora | Chairman |
| Mr. Subhash Kothari | Member |
| Mr. D.P. Kelkar | Member |

The Audit Committee consists of Independent Directors as members

Meetings and Attendance:

| Date of the Meeting | Committee Strength | No. of Directors Present |
|---------------------------------|---------------------------|---------------------------------|
| 02 nd December, 2016 | 3 | 3 |

**Remuneration policy -****i) For Managing Director**

The total remuneration pursuant to shareholders approval consists of:

- a fixed component – consisting of salary and perquisites
- a variable component by way commission as determined by the Board/Nomination and Remuneration Committee within the limits approved by the shareholders.

(Rs. in Lakhs)

| Particulars | Managing Director |
|--|-------------------|
| Salary (Including perquisites) CTC | 09 |
| Commission | Nil |
| Contribution to Provident Fund and Superannuation Fund | Included in above |
| Benefits | Nil |
| Total | 09.00 |

Having regard to the fact that there is a global contribution to Gratuity Fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to Gratuity Fund has not been considered in the above computation.

Managing Director is under contract of employment with the company with three months' notice period from either side. There is no severance fee payable to the Executive Directors. The Company does not have any stock option scheme.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE**Composition as on March 31, 2017:**

| Name | Designation |
|---------------------|-------------|
| Mr. D. P. Kelkar | Chairman |
| Mr. Sanjay I Bora | Member |
| Mr. Subhash Kothari | Member |

Meetings and Attendance

| Date of the Meeting | Committee Strength | No. of Directors Present |
|---------------------------------|--------------------|--------------------------|
| 26 th May, 2016 | 3 | 3 |
| 14 th August, 2016 | 3 | 3 |
| 14 th November, 2016 | 3 | 3 |
| 02 nd December, 2016 | 3 | 3 |
| 14 th February, 2017 | 3 | 3 |



The Stakeholders Relationship Committee specifically looks into redressing of shareholders/ investors complaints in matters such as transfer of shares, non-receipt of declared dividends and ensure expeditious share transfer process.

| | | |
|--|---|---|
| Number of Shareholders Complaints received during the year | : | 0 |
| Solved to the satisfaction of the shareholders | : | 0 |
| Number of pending Complaints | : | 0 |

GENERAL BODY MEETINGS

Location, time and venue where last three Annual General Meetings were held:

| Financial Year | Location of AGM | Date & Time of AGM |
|----------------|--|----------------------------------|
| 2015-16 | 8-2-682/3/A & 3B, Flat No. 201, 2nd Floor, Road No.12 Banjara Hills Hyderabad 500034 | 30th December, 2016 at 09:30 AM |
| 2014-15 | 8-2-682/3/A & 3B, Flat No. 201, 2nd Floor, Road No.12 Banjara Hills Hyderabad 500034 | 30th September, 2015 At 10:30 AM |
| 2013-14 | 8-2-682/3/A & 3B, Flat No. 201, 2nd Floor, Road No.12 Banjara Hills Hyderabad 500034 | 30th December, 2014 At 10:00 AM |

Special Resolutions

- I) During the year, no resolutions Sepcial Resolutions were passed.
- II) During the year, no resolutions were passed through postal ballot.
- III) During the year no Extra-orindary General Meeting were held



7. DISCLOSURES

Related Parties

There were no materially significant related party transactions which may have potential conflict with the interests of the Company. The Company maintain a Register of Contracts containing the transactions in which the directors are interested and same is place before the Board. Transactions with related parties as required under Accounting Standard 18, Related party transactions are disclosed in Note 34 forming part of financial statements.

RISK MANAGEMENT

The Company has laid down procedures to inform the Board of the Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically. Detailed report on Risk Management forms part of the Board's Report.

STRICTURES AND PENALTIES

There were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any Statutory Authority for non-compliance on any matter related to Capital Market during the last three years.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are displayed on the website of the Company. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company.

8. MEANS OF COMMUNICATION

The quarterly unaudited results and annual audited results are published in Business Standard and in the local newspaper – Andhra Prabha. Official press releases and official media releases are sent to Stock Exchanges and uploaded on the website of the Company.

The Management Discussion and Analysis Report forms part of the Directors' Report.

**9. GENERAL SHAREHOLDERS INFORMATION**

Annual General Meeting:

Date - 29th September 2017

Venue - 8-2-682/3/A & 3B, Flat No. 201, 2nd Floor, Road No.12 Banjara Hills Hyderabad 500034.

Time - 09:30 AM

Financial Calendar (Tentative):

- Unaudited results for 1st quarter of next Financial Year – by 14th August, 2017
- Unaudited results for 2nd quarter of next Financial Year – by 14th November, 2017
- Unaudited results for 3rd quarter of next Financial Year – by 14th February, 2018

Date of Book Closure – September 27, 2017 to September 29, 2017 (both days inclusive)

Date of Dividend Payment – NA

Listing of Equity Shares – BSE Limited – Code 532022

Market Price Data: in respect of the Company's shares on BSE Limited, monthly high and low during the last Financial Year:

| Month & Year | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| April 2016 | 9.3 | 5.26 |
| May 2016 | 8.97 | 6.05 |
| June 2016 | 7.89 | 5.2 |
| July 2016 | 7.14 | 5.15 |
| August 2016 | 7.48 | 5.05 |
| September 2016 | 6.98 | 5.05 |
| October 2016 | 9.6 | 5.00 |
| November 2016 | 12.23 | 6.75 |
| December 2016 | 7.39 | 4.98 |
| January 2017 | 5.29 | 4.57 |
| February 2017 | 4.98 | 4.43 |
| March 2017 | 4.74 | 3.95 |


Details of Share Transfer System:

The authority relating to approval of share transfers has been delegated to the Share Transfer Committee consisting of) The Committee has met four times during the year for approving transfers, transmissions, etc. Operations with regard to dematerialization are being complied with, in conformity with the regulations prescribed.

Distribution of Shareholding as on 31st March 2017:

| Paid up Share Capital | Number of Shareholders | | Number of Shares | |
|-----------------------|------------------------|---------------|------------------|------------|
| | Number | % | Number of shares | % |
| Up to 5000 | 3375 | 71.46 | 1248184 | 4.30 |
| 5001 – 10000 | 472 | 9.99 | 780962 | 2.69 |
| 10001 – 20000 | 297 | 6.29 | 883211 | 3.04 |
| 20001 – 30000 | 184 | 3.90 | 926565 | 3.19 |
| 30001 – 40000 | 61 | 1.29 | 435959 | 1.50 |
| 40001 – 50000 | 73 | 1.55 | 701514 | 2.41 |
| 50001 – 100000 | 106 | 2.24 | 1573850 | 5.42 |
| 100001 and above | 155 | 3.28 | 22504300 | 77.46 |
| Total | 4723 | 100.00 | 29054545 | 100 |

Pattern of Shareholding as on 31st March 2017:

| Category | Number of Shareholders | No. of Shares | % of Share-holding |
|----------------------------|------------------------|--------------------|--------------------|
| Promoters | 5 | 14,84,505 | 5.11 |
| Public : | | | |
| Institutional Investors: - | | | |
| Mutual Funds & | | | |
| UTI, Banks, Financial | | | |
| Institutions & Others | | | |
| Bodies Corporate | 155 | 68,65,128 | 23.63 |
| Indian Public | 4439 | 2,07,04,912 | 71.26 |
| Foreign | | | |
| Nationals/NRIs/OCBs | - | - | |
| Clearing Members | - | - | |
| FII's | | | |
| GRAND TOTAL | 4599 | 2,90,54,545 | 100.00 |



Dematerialization of shares and liquidity 2,87,49,764 shares were dematerialized amounting to 98.95% of the total paid up capital.

The name and designation of

Compliance Officer : Mr. Prabhat Sethia, Managing Director

The Registrar and Share Transfer Agents are handling all the share transfers and related transactions.

As on 31st March 2017 there were no requests pending for demats / overdue beyond the due dates.

Details of Addresses for Correspondence:

Registered Office : 8-2-682/3/A & 3B, Flat No. 201, 2nd Floor, Road No.12 Banjara Hills Hyderabad 500034.

Registrar and Share Transfer Agents: Sharex Dynamic (India) Private Limited, Registered office: Unit -1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, Andheri-kurla Rd., Safed Pool, Andheri (E) Mumbai 400072

ISIN for the Equity Shares: IN E 185E01013

Dividend for the last three years: Nil

10. SUBSIDIARIES

Nil

11. NON MANDATORY REQUIREMENTS:

The Company has no separate positions for Chairman and Managing Director.

Presently, no other non-mandatory requirements have been adopted by the Company.

By order of the Board of Directors

Date: 01st September, 2017

Prabhat Sethia

Managing Director



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 Personnel) Rules, 2014]

To
The Members,
Filatex Fashions Limited,
My Fair Gardens, 8-2-682/3/A & 3B Flat No 201,
2nd Floor, Road No 12 ,Banjara Hills Hyderabad TG 500034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Filatex Fashions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the books, papers, minute books, forms and returns filed and other records of Filatex Fashions Limited, maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my 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 :

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by

Filatex Fashions Limited ("the Company") 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, Overseas Direct Investment and External Commercial Borrowings;



(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;

(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; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(i) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations");

(vi) Service Tax Act.

(vii) Income Tax Act.

(viii) Value Added Tax (VAT) Act.

(ix) Central Sales Tax Act.

(x) Pollution Control Laws.

(xi) Factories Act, 1948.

(xii) Industrial Disputes Act, 1947.

(xiii) Payment of Wages Act, 1936.

(xiv) Minimum Wages Act, 1948.

(xv) Employees' State Insurance Act, 1948.

(xvi) Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

(xvii) Payment of Bonus Act, 1965.

(xviii) The Payment of Gratuity Act, 1972.

(xix) The Contract Labour (Regulation & Abolition) Act, 1970.

(xx) Maternity Benefit Act, 1961.

(xxi) Prohibition of Child Labour (Prohibition & Regulation) Act, 1986.

(xxii) The Industrial Employment (Standing Orders) Act, 1946.

(xxiii) The Employees' Compensation Act, 1923.

(xxiv) Equal Remuneration Act, 1976.

(xxv) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.

I/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 Listing Agreements entered into by the Company with the Bombay Stock Exchange.



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Companies Act, 2013 (the Act) and the rules made thereunder - The Company has conducted 05(Five) Board Meetings, in course of the financial year, after complying with the provisions of the Act.

It also held its Annual General Meeting on 30-12-2016 after complying with the provisions of the Act & Rules made thereunder. The company has not appointed CS, CFO and CEO.

The Company has to file MGT 10 and Annual filings for the FY ended 31-03-2017.

Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") -

These regulations have become effective from 1st December, 2015 and have to be complied within 90 days from that date.

The Compliance Officer of the Company is Managing Director of the Company and company has to appoint Qualified CS as Compliance Officer, It already has a Share Transfer Agent to provide share transfer facility. The company has filed the necessary returns mentioned in the Regulations since they came into effect. The Board of Directors of the Company is properly constituted as per these regulations. The following committees have been constituted from among the members of the Board with a proper composition of Independent Directors -

a. Audit Committee

b. Nomination and Remuneration Committee

c. Stakeholders Relationship Committee

All related party transactions are placed for prior approval before the Audit Committee. The Company has in place a policy for preservation of documents as per the regulations.

2. The Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957 deal with the regulation and the governance of Stock Exchanges and hence are not applicable to the Company.

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - These deal with regulation of transactions pertaining to securities between Depositories, Depository Participants, Issuers and Beneficial Owners. The Company is registered with the Depository Participant, Sharex Dynamic India Private Limited. and all transactions pertaining to the securities issued by the company are carried out through this agency.

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - From the records of the Company pertaining to the financial year ended 31st March, 2017, it is seen that no Foreign Direct Investment was made in the Company. The Company has not resorted to Overseas Direct Investment and External Commercial Borrowings during the year under review.



5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - These Regulations deal with acquisition of listed securities by a Company and 'persons acting in concert' with it as defined in the Regulations. It is given to understand that the Company has not made any investments in listed securities during the financial year ended 31st March, 2017.

6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - The company has formulated an Insider Trading Code for the price sensitive information pertaining to the securities issued by it and the same is strictly followed.

7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - The Company has made an issue of the type mentioned in these Regulations during the financial year ended 31st March, 2017. Hence these Regulations are applicable and are complied.

8. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - These Guidelines deal with Employee Stock Option Scheme and Employee Stock Purchase Scheme being implemented by the Company. The company does not have any Employee Stock Option Scheme or any Employee Stock Purchase Scheme. Hence these guidelines are not applicable to it.

9. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - These Regulations are not applicable to the Company for the financial year under review as it has not made any issue of any debt securities or listed any debt securities during the financial year ended 31st March, 2017.

10. 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 - These Regulations lay down the procedure for registration and regulation of the working of Registrars and Share Transfer Agents and as such do not apply to the Company.

11. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - The Company has not delisted its equity shares listed on the Bombay Stock Exchange (BSE) during the financial year ended 31st March, 2017. Hence these Regulations are not applicable to it.

12. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - These regulations are applicable to buy-back of shares or other specified securities of a company listed on a stock exchange. The Company has confirmed that it did not buy back any of its securities listed on the stock exchange (BSE) during the financial year. Hence, these Regulations do not apply to the company.



13. The Listing Agreement entered into by the Company with Bombay Stock Exchange (BSE) - the company has filed the necessary documents and returns and supplied the information required to be submitted by it to Bombay Stock Exchange as per the Listing Agreement.

14. Secretarial Standards issued by The Institute of Company Secretaries of India - the Company has complied with these standards during the financial year ended 31st March, 2017.

15. Service Tax Act - The Company not registered.

16. Income Tax - The Company has not filed its Income Tax Return for the Assessment Year 2014-15, during the financial year ended 31st March, 2017.

17. Value Added Tax (VAT) - The Company has regularly filed monthly returns for Value Added Tax (VAT) paid.

18. Central Sales Tax - The Company has regularly filed monthly returns as required.

19. Pollution Control Laws – Not Applicable.

20. Factories Act, 1948 - The Company has obtained a license to work a factory, issued by the Directorate Industrial Safety and Health, Andhra Pradesh State,

21. Industrial Disputes Act, 1947 - The Company has maintained the necessary records under this Act. No industrial dispute was reported to have occurred during the financial year.

22. Payment of Wages Act, 1936 - The requirements regarding the timely payment of wages under this Act and display of an abstract of the Act and Rules have been complied with.

23. Minimum Wages Act, 1948 - The requirements regarding the payment of minimum wages specified by the appropriate Government and the display of the notice containing the minimum rate of wages have been complied with.

24. Employees' State Insurance Act, 1948 – Not Applicable.

25. Employees' Provident Fund and Miscellaneous Provisions Act, 1952 - Not Applicable

26. Payment of Bonus Act, 1965 – Not Applicable.

27. The Payment of Gratuity Act, 1972 – Not Applicable.



28. The Contract Labour (Regulation & Abolition) Act, 1970 - The Company has not obtained the necessary certificate of registration for employing contract labour in its factory and has not complied with the other applicable provisions of the Act.

29. Maternity Benefit Act, 1961 – Not Applicable.

30. Prohibition of Child Labour (Prohibition & Regulation) Act, 1986 - It is given to understand that the Company does not employ any child labour hence this Act is not applicable to it.

31. The Industrial Employment (Standing Orders) Act, 1946 - The Company has framed Standing Orders for its employees at the factory and the same have been registered with the concerned authorities.

32. The Employees' Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923) - No accidents were reported in the factory of the Company during the year under review. Hence there was no requirement to file any returns.

33. Equal Remuneration Act, 1976 - It is given to understand that the Company pays equal remuneration to all for same work or work of similar nature and that there is no discrimination between men and women while recruiting or subsequent to recruitment, promotion, etc.

34. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956 - the Company has regularly filed quarterly returns as required, during the year under review.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors 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.

I 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.

By order of the Board of Directors

Date: 01st September, 2017

Signature: __sd_____

Name of Company Secretary in practice/ Firm:

Vinod Sakaram

ACS/FCS No. 23285, C P No.: 8345



MGT 9

A. REGISTRATION AND OTHER DETAILS:

| | |
|---|--|
| CIN:- | L51491TG1994PLC017158 |
| Registration Date: | 08/03/94 |
| Name of the Company: | Filatex Fashions Ltd. |
| Category / Sub-Category of the Company | Indian Non Government Company |
| Address of the Registered office and contact details: | #201 Mayfair Garden Apartment Road No 12 Banjara Hills, Hyderabad Telangana, India Ph: +91-40 66748930 Email: unisox@yahoo.com |
| Whether listed company | Listed |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Unit-1, Luthra Ind Premises, 1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai, Maharashtra 400072 022 2851 5606 |

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ | % to total turnover of the company |
|---------|---|--------------------------|------------------------------------|
| a. | | | |
| b. | Manufacture of knitted and crocheted synthetic textile products | 17309 | 100 |
| c. | | | |
| d. | | | |

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the company | CIN/GLN | Holding/Subsidiary/Associ | % of shares held |
|---------|---------------------------------|---------|---------------------------|------------------|
| a | | | | |

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 01-04-2016 | | | | No. of Shares held at the end of the year 31-03-2017 | | | | % Change during the year |
|--------------------------|---|----------|-------|----------------------|--|----------|-------|----------------------|-----------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | | | | | | | | | |

A. PROMOTER'S

(1). INDIAN

| | | | | | | | | | |
|----------------------------|----------------|-----------|----------------|--------------|----------------|-----------|----------------|--------------|--------------|
| (a). Individual | 1477446 | 60 | 1477506 | 5.085 | 1484445 | 60 | 1484505 | 5.109 | 0.024 |
| (b). Central Govt. | | 0 | | | | 0 | | | 0 |
| (c). State Govt(s). | | 0 | | | | 0 | | | 0 |
| (d). Bodies Corpp. | | 0 | | | | 0 | | | 0 |
| (e). FIINS / BANKS. | | 0 | | | | 0 | | | 0 |
| (f). Any Other | | 0 | | | | 0 | | | 0 |
| Sub-total (A) (1):- | 1477446 | 60 | 1477506 | 5.085 | 1484445 | 60 | 1484505 | 5.109 | 0.024 |

(2). FOREIGN

| | | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| (a). Individual NRI / For | | 0 | | | | 0 | | | 0 |
| (b). Other Individual | | 0 | | | | 0 | | | 0 |
| (c). Bodies Corporates | | 0 | | | | 0 | | | 0 |
| (d). Banks / FII | | 0 | | | | 0 | | | 0 |
| (e). Qualified Foreign | | 0 | | | | 0 | | | 0 |
| (f). Any Other Specify | | 0 | | | | 0 | | | 0 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---------------------------|----------------|-----------|----------------|--------------|----------------|-----------|----------------|--------------|--------------|
| Total shareholding | 1477446 | 60 | 1477506 | 5.085 | 1484445 | 60 | 1484505 | 5.109 | 0.024 |
|---------------------------|----------------|-----------|----------------|--------------|----------------|-----------|----------------|--------------|--------------|

(B) (1). PUBLIC SHAREHOLDING

| | | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| (a). Mutual Funds | | 0 | | | | 0 | | | 0.000 |
| (b). Banks / FI | | 0 | | | | 0 | | | 0.000 |
| (c). Central Govt. | | 0 | | | | 0 | | | 0.000 |
| (d). State Govt. | | 0 | | | | 0 | | | 0.000 |
| (e). Venture Capital Funds | | 0 | | | | 0 | | | 0.000 |
| (f). Insurance Companies | | 0 | | | | 0 | | | 0.000 |
| (g). FIIs | | 0 | | | | 0 | | | 0.000 |
| (h). Foreign Venture | | 0 | | | | 0 | | | 0.000 |
| (i). Others (specify) | | 0 | | | | 0 | | | 0.000 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



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2. Non-Institutions

(a). BODIES CORP.

| | | | | | | | | | |
|----------------|---------|---|---------|--------|---------|---|---------|--------|---------|
| (i). Indian | 9235633 | 0 | 9235633 | 31.787 | 6151895 | 0 | 6151895 | 21.174 | -10.613 |
| (ii). Overseas | | 0 | | | | 0 | | | 0.000 |

(b). Individuals

| | | | | | | | | | |
|------------------------------|----------|--------|----------|--------|----------|--------|----------|--------|-------|
| (i) Individual shareholders | 4162971 | 54721 | 4217692 | 14.516 | 5996948 | 54721 | 6051669 | 20.829 | 6.313 |
| (ii) Individual shareholders | 13625618 | 250000 | 13875618 | 47.757 | 14403243 | 250000 | 14653243 | 50.434 | 2.677 |

(c). Other (specify)

| | | | | | | | | | |
|---------------------------|--------|---|--------|-------|--------|---|--------|-------|-------|
| Non Resident Indians | 52837 | 0 | 52837 | 0.182 | 54479 | 0 | 54479 | 0.188 | 0.006 |
| Overseas Corporate Bodies | | 0 | | | | 0 | | | 0 |
| Foreign Nationals | | 0 | | | | 0 | | | 0 |
| Clearing Members | 195259 | 0 | 195259 | 0.672 | 658754 | 0 | 658754 | 2.267 | 1.595 |
| Trusts | | 0 | | | | 0 | | | 0 |
| Foreign Bodies - D R | | 0 | | | | 0 | | | 0 |

| | | | | | | | | | |
|---------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|
| Sub-total (B)(2):- | 27272318 | 304721 | 27577039 | 94.914 | 27265319 | 304721 | 27570040 | 94.892 | -0.022 |
|---------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|

| | | | | | | | | | |
|----------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|
| Total Public Shareholding | 27272318 | 304721 | 27577039 | 94.914 | 27265319 | 304721 | 27570040 | 94.892 | -0.022 |
|----------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|

| | | | | | | | | | |
|--------------------------|--|----------|--|--|--|----------|--|--|--------------|
| C. Shares held by | | 0 | | | | 0 | | | 0.000 |
|--------------------------|--|----------|--|--|--|----------|--|--|--------------|

| | | | | | | | | | |
|----------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------------|
| Grand Total (A+B+C) | 28749764 | 304781 | 29054545 | 100.00 | 28749764 | 304781 | 29054545 | 100.00 | 0.00 |
|----------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------------|

Company : Filatex Fashions Ltd. from 01-04-2016 to 31-03-2017

Shareholding of promoters MGT9 Report

| Sr.No | Shareholder's Name | Shareholding at the beginning of the | | | ShareHolding at the end of the Year | | | % changes 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 | PRABHAT SETHIA | 1159700 | 3.991 | 0 | 1159700 | 3.991 | 0 | 0 |
| 2 | PRASHANT KUMAR SETHIA | 230020 | 0.792 | 0 | 230020 | 0.792 | 0 | 0 |
| 3 | RAJ/KUMAR SETHIA | 52746 | 0.182 | 0.064 | 59745 | 0.206 | 0.088 | 0.024 |
| 4 | MAHAVIR GOLECHHA | 35020 | 0.121 | 0 | 35020 | 0.121 | 0 | 0 |
| 5 | SHAILAJA KATAR | 20 | 0 | 0 | 20 | 0 | 0 | 0 |

Change in Promoter's Shareholding(Please specify,if there is no change)

| Sr.No | Shareholder's Name | Shareholding at the Beginning of the | | | Shareholding at the end of the Year | | | % of total Shares of the company |
|-------|--------------------|---|--------------------------------|------------|--|--------|--------------|----------------------------------|
| | | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/D ecreasing in shareholding | Reason | No.Of shares | |
| 1 | RAJKUMAR SETHIA | 52746 | 0.182 | 01-04-2016 | | | | |
| | | | | 28-10-2016 | 5000 | Buy | 57746 | 0.199 |
| | | | | 18-11-2016 | 1999 | Buy | 59745 | 0.206 |
| | -Closing Balance | | | 31-03-2017 | | | 59745 | 0.206 |

Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

| Sr.No | Name | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/D decreasing in shareholding | Reason | No.Of shares | % of total Shares of the company |
|-------|-----------------------------------|---|--------------------------------|------------|---|-----------|--------------|----------------------------------|
| | | | | | | | | |
| 1 | VINOD DUGAR | 2000000 | 6.884 | 01-04-2016 | | | | |
| | -Closing Balance | | | 31-03-2017 | | No Change | 2000000 | 6.884 |
| 2 | HEROIC MERCANTILE PRIVATE LIMITED | 3600000 | 12.39 | 01-04-2016 | | | | |
| | | | | 28-10-2016 | -560000 | Sold | 3040000 | 10.463 |
| | | | | 04-11-2016 | -471300 | Sold | 2568700 | 8.841 |
| | | | | 11-11-2016 | -141684 | Sold | 2427016 | 8.353 |
| | | | | 25-11-2016 | -541669 | Sold | 1885347 | 6.489 |
| | -Closing Balance | | | 31-03-2017 | | | 1885347 | 6.489 |
| 3 | SHEETAL DUGAR | 1500000 | 5.163 | 01-04-2016 | | | | |
| | -Closing Balance | | | 31-03-2017 | | No Change | 1500000 | 5.163 |
| 4 | OM PRAKASH SHARMA | 1510843 | 5.2 | 01-04-2016 | | | | |
| | | | | 23-09-2016 | -29390 | Sold | 1481453 | 5.099 |
| | | | | 07-10-2016 | -2001 | Sold | 1479452 | 5.092 |
| | | | | 14-10-2016 | 2000 | Buy | 1481452 | 5.099 |
| | -Closing Balance | | | 31-03-2017 | | | 1481452 | 5.099 |



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| | | | | | | | | |
|----|----------------------------------|---------|--------|------------|---------|-----------|---------|-------|
| 5 | NAILESH SWARUPCHAND MEHTA | 1436868 | 4.945 | 01-04-2016 | | | | |
| | -Closing Balance | | | 31-03-2017 | | No Change | 1436868 | 4.945 |
| 6 | ABJAYONI TRADING PRIVATE LIMITED | 1250000 | 4.302 | 01-04-2016 | | | | |
| | -Closing Balance | | | 31-03-2017 | | No Change | 1250000 | 4.302 |
| 7 | ENAKSHI IMPEX | 3000000 | 10.325 | 01-04-2016 | | | | |
| | | | | 28-10-2016 | -614778 | Sold | 2385222 | 8.209 |
| | | | | 04-11-2016 | -554957 | Sold | 1830265 | 6.299 |
| | | | | 11-11-2016 | -150000 | Sold | 1680265 | 5.783 |
| | | | | 25-11-2016 | -560000 | Sold | 1120265 | 3.856 |
| | | | | 02-12-2016 | -83923 | Sold | 1036342 | 3.567 |
| | | | | 13-01-2017 | -64219 | Sold | 972123 | 3.346 |
| | -Closing Balance | | | 31-03-2017 | | | 972123 | 3.346 |
| 8 | SASI KUMAR ADUSUMALLI | 710520 | 2.445 | 01-04-2016 | | | | |
| | -Closing Balance | | | 31-03-2017 | | No Change | 710520 | 2.445 |
| 9 | A PADMAJA | 600000 | 2.065 | 01-04-2016 | | | | |
| | -Closing Balance | | | 31-03-2017 | | No Change | 600000 | 2.065 |
| 10 | VINIT CHOPDA | 531791 | 1.83 | 01-04-2016 | | | | |
| | -Closing Balance | | | 31-03-2017 | | No Change | 531791 | 1.83 |

Shareholding of Directors and Key Managerial Personnel:

| Sr.No | Name | Shareholding at the beginning of the | | | Cumulative Shareholding at the end of | | | |
|-------|--------------------|---|--------------------------------|------|--|--------|--------------|----------------------------------|
| | | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/D ecreasing in shareholding | Reason | No.Of shares | % of total Shares of the company |
| | No Records Found!! | | | | | | | |

INDEBTEDNESS

| | Secured Loans excluding | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the | 2849441 | 16,528,656.000 | | 19378097.000 |
| Total (i+ii+iii) | | | | |
| Change in Indebtedness during the | -259396 | 35833119 | | 35573723 |
| Net Change | | | | |
| Indebtedness at the end of the financial | 2590045 | 52,361,775.000 | | 54951820.000 |
| Total (i+ii+iii) | | | | |

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr.no. | Particulars of Remuneration | Name of MD/WTD/ Manager | In Lacs | |
|--------|--|-------------------------|--------------|-------|
| | | | Total Amount | |
| 1 | Gross salary | | 9.000 | 9.000 |
| | (a) Salary as per provisions contained in section 17(1) of | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax | | | |
| 2 | Stock Option | | | |
| 3 | Sweat Equity | | | |
| 4 | Commission | | | |
| | - as % of profit | | | |
| | - others, specify... | | | |
| 5 | Others, please specify | | | |
| | Total (A) | | | |
| | Ceiling as per the Act | | | |

B. Remuneration to other directors:

| Sr.no. | Particulars of Remuneration | Name of Directors Manager | Total Amount |
|--------|--|---------------------------|--------------|
| | | | |
| 1. | Independent Directors | | |
| | • Fee for attending board / committee meetings | | |
| | • Commission | | |
| | • Others, please specify | | |



| | | |
|--|--|--|
| Total (1) | | |
| 2. Other Non-Executive Directors | | |
| • Fee for attending board / committee meetings | | |
| • Commission | | |
| • Others, please specify | | |
| Total (2) | | |
| Total (B)=(1+2) | | |
| Total Managerial Remuneration | | |
| Overall Ceiling as per the Act | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sr No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|---|--------------------------|-------------------|-----|-------|
| | | CFO | Company Secretary | CFO | Total |
| 1 | Gross salary | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | Others, please specify | | | | |
| | Total | | | | |

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT/ COURT] | Authority [RD / NCLT/ COURT] |
|-------------------------------------|------------------------------|-------------------|--|------------------------------|------------------------------|
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**INDEPENDENT AUDITOR'S REPORT****To the Members of FILATEX FASHIONS LIMITED****Report on the Financial Statements**

We have audited the accompanying Standalone financial statements of M/S **FILATEX FASHIONS LTD ("the Company")** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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 Standalone financial statements that 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 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

Our responsibility is to express an opinion on these Standalone financial statements based on our 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 madethereunder.

We conducted our audit in accordance with the Standards on Auditing 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 financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Flow for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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 Standalone 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 written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act
 - f. With respect to the 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 information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

CA.NAGESWARARAO G
Partner
Membership number: 207300
Place: Hyderabad
Date: 02.12.2016



“Annexure A” to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
2. a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and purchase of goods and services. During the course of our audit, We have not observed any continuing failure to correct major weakness in the internal control system of the company.
5. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
6. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
7. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
8. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.



The assistant Commissioner of income-tax raised a demand for Rs.36,79,565/- for the assessment year 2012-13, order dated 25/03/2015. Against this order an appeal was filed with commissioner of income-tax(appeals)-V dated 29/04/2015.

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during theyear.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the CompaniesAct;

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to theCompany.

13. Inouropinion,alltransactions withtherelated partiesareincompliancewithsection 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accountingstandards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commentedupon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commentedupon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commentedupon.

For and on behalf of
N G RAO & ASSOCIATES
Chartered Accountants
FRN:009399S

CA.NAGESWARARAO G
Partner
Membership number:207300
Place: Hyderabad
Date:



**“Annexure B” to the Independent Auditor's Report of even date on the Standalone
Financial Statements of FILATEX FASHION LTD
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section
143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **FILATEX FASHION LTD (“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 judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 and on behalf of
N G RAO & ASSOCIATES
Chartered Accountants
FRN:009399S

CA.NAGESWARARAO G
Partner
Membership number:207300
Place: Hyderabad
Date: 02.12.2016



FILATEX FASHIONS LTD.

Annual Report 2016-2017

FILATEX FASHIONS LIMITED Balance Sheet as at March 31, 2016

(Amount in Rs)

| Particulars | Note | | As at 31 . 03 . 2017 | | As at 31 . 03 . 2016 |
|---|------|--------------|-------------------------|--------------|-------------------------|
| EQUITY AND LIABILITIES | | | | | |
| 1. Share holder's funds | | | | | |
| Shares Capital | 4 | 14,52,72,725 | | 14,52,72,725 | |
| Reserves and Surplus | 5 | 18,71,73,944 | | 18,74,70,623 | |
| | | | 33,24,46,669 | | 33,27,43,348 |
| 2. Share Application Money Pending Allotment | | | | | |
| 3. Non - current liabilities | | | | | |
| Long -term borrowings | 6 | 5,49,51,820 | | 19,378,097 | |
| Deferred term liabilities (Net) | 7 | 4,22,006 | | -00 | |
| Other Long term Liabilities | 8 | -00 | | -00 | |
| | | | 5,53,73,826 | | 1,93,78,097 |
| 4. Current Liabilities | | | | | |
| Short term borrowings | 9 | -00 | | -00 | |
| Trade Payables | 10 | 3,13,07,930 | | 58,85,25,798 | |
| Other current liabilities | 11 | 2,05,16,879 | | 2,65,14,413 | |
| Short - term provisions | 12 | 27,13,602 | 5,45,38,411 | 3,113,602 | 61,81,53,813 |
| Total | | | 44,23,58,906 | | 97,02,75,258 |
| II ASSETS | | | | | |
| (1) Non - current assets | | | | | |
| Fixed Assets | | | | | |
| Tangible assets | 13 | 2,91,04,543 | | 3,67,48,452 | |
| Capital work - in progress | | 1,35,00,000 | | 1,35,00,000 | |
| Deferred tax assets (Net) | 7 | 1,19,605 | | 8,27,191 | |
| Long-term loans and advances | | 6,28,25,029 | | 4,49,82,873 | |
| Other Non Current Assets | | 6,16,465 | | 416,465 | |
| | | | 10,60,46,037 | | 9,64,74,981 |
| (2) Current assets | | | | | |
| Inventories | 14 | 65,69,824 | | 2,83,93,790 | |
| Trade Receivables | 15 | 31,34,61,209 | | 83,24,52,394 | |
| Cash and cash Equivalents | 16 | 1,62,81,836 | | 1,29,54,093 | |
| Short - term loan and advances | 17 | -00 | 33,63,12,869 | -00 | 87,38,00,277 |
| TOTAL | | | 44,23,58,906 | | 97,02,75,258 |
| Notes forming part of financial | 1-34 | | | | |

As per our report of even date

For N.G. RAO & Associates
Chartered Accountants,
Sd/-

G.Nageswara Rao
Partner

Place : Hyderabad
Date: 01-09-2017

FOR AND ON BEHALF OF THE BOARD DIRECTORS

Sd/-

(PRABHAT SETHIA)
MANAGING DIRECTOR

Sd/-

Sanjay I Bora
Director



FILATEX FASHIONS LTD.

Annual Report 2016-2017

FILATEX FASHIONS LIMITED

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

(Amount in Rs)

| Particulars | Note | | As at 31.03.2017 | | As at 31.03.2016 |
|---|-------------|-----------|---------------------|-----------|---------------------|
| INCOME : | | | | | |
| Revenue from Operation | 18 | | 38,34,26,335 | | 352,038,106 |
| Other Income | 19 | | 2,05,800 | | 196,028 |
| I Total Revenue | | | 38,36,32,135 | | 352,234,134 |
| II EXPENDITURE : | | | | | |
| Cost of Materials Consumed | 20 | | 35,69,12,791 | | 328,934,728 |
| Increase (decrease) in inventories of Finished Goods, work-in-Progress Stock in trade | 21 | | 9,29,509 | | (8,91,104) |
| Employee Benefits expense | 22 | | 53,66,604 | | 5,390,556 |
| Finance Cost | 23 | | 4,63,319 | | 2,369,929 |
| Depreciation & Amortisation Expense | 13 | | 88,67,042 | | 8,733,209 |
| Other expenses | 24 | | 95,40,352 | | 8,085,961 |
| Total Expenses | | | 38,20,79,617 | | 352,623,279 |
| III Profit before tax (I-II) | | | 15,52,518 | | (389,145) |
| IV Tax Expenses | | | | | |
| Current Tax | | 6,00,000 | | 861,311 | |
| Deferred Tax Charge | | 12,49,197 | 18,49,197 | (927,141) | (65,830) |
| V Profit/(Loss) for the period (III - IV) | | | (2,96,679) | | (323,315) |
| VI Earnings per equity share of par value Rs 5/- each | | | | | |
| Basic | | | (0.01) | | (0.01) |
| Diluted | | | (0.01) | | (0.01) |
| VII No. of shares used in computing earnings per share | | | | | |
| Basic | | | 2,90,54,545 | | 2,90,54,545 |
| Diluted | | | 2,90,54,545 | | 2,90,54,545 |
| Notes forming part of financial | 1-35 | | | | |

As per our report of even date

For N.G. RAO & Associates
Chartered Accountants,

Sd/-

G.Nageswara Rao
Partner

Place : Hyderabad
Date: 01-09-2017

FOR AND ON BEHALF OF THE BOARD DIRECTORS

Sd/-

(PRABHAT SETHIA)

MANAGING DIRECTOR

Sd/-

Sanjay I Bora

Director

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****1 Corporate information**

Filatex Fashion Limited has been incorporated on 8th March, 1994. At present the company is engaged in the business of manufacturing of Socks.

2 Significant accounting policies**2.1 Basis of accounting and preparation of financial statements**

"The financial statements are prepared under the historical cost convention, except for revaluation of certain freehold land on conversion to stock-in-trade, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India. The financial statements have been prepared to comply in all material aspects with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act, to the extent applicable.

The classification of assets and liabilities of the Company into current or non-current is based on the Company's normal operating cycle and other criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities."

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported balances of assets, liabilities and contingent liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. However, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets and liabilities in future periods.

2.3 Inventories

Raw Materials & Work-In-Progress are valued at cost and Finished Goods are valued at lower of the cost or net realisable value.

2.4 Depreciation and amortisation

Depreciation on fixed assets other than furniture & fixtures and motor vehicles is provided on the straight line method, prorata to the period of use, over the useful life as prescribed in Schedule II to the Companies Act, 2013 or as estimated by the management, whichever is lower. Depreciation on furniture & fixtures and motor vehicles is provided on the written down value method over the useful life as prescribed in Schedule II. The asset categories and their useful lives over which depreciation is provided.

2.5 Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. This coincides with the passing of possession to the buyer.

2.6 Expenditure

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

**2.7 Tangible fixed assets**

Fixed assets are stated at cost (net of cenvat credit wherever applicable) less accumulated depreciation and impairment losses, if any. The cost includes cost of acquisition, construction, erection, installation etc, broperative expenses (including trial run) and borrowing costs incurred during construction period.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.8 Foreign Exchange Transaction:

All the Foreign Exchange transactions entered into during the current financial year are accounted at the exchange rate prevailing on the date of documentation/invoicing. Foreign Exchange Fluctuation on transactions entered into during the current financial year and received/paid during the year are accounted in the current financial year. The outstanding foreign currency debtors are restated at the Foreign Currency Rates prevailing at the end of the year and the Foreign Exchange Fluctuation on the same is also recognised at the end of the year in conformity with the revised Accounting Standard 11 and foreign currency debtors which are doubtful at the end of the year are not restated at the foreign currency rates prevailing at the end of the year.

2.9 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.10 Earnings per share

"Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**2.11 Taxes on income**

Tax expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets and MAT credit entitlement are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.12 Impairment of assets

"The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or debrciation) had no impairment loss been recognized for the asset in prior accounting periods."

2.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best 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 best estimates. Contingent liabilities are disclosed in the Notes.

2.14 Contengent Liability

The company has filled an appellate Tribunal (COMPAT) on the complaint filed by Coal India Limited before Competition commission of India (CCI) and the COMPAT has vide its Order dated 18th April 20136, reduced to Rs.2.89 Crores; and a further Civil Appeal in the supreme court of India and the matter is subjudice. Based on expert advice, the company believes that it has a good case and expects a favourable decision in the matter.

2.15 Dividends

Provision shall be made in the accounts for the dividends payable by the company as and when recommended by the Board of Directors, pending approval of the share holders at the Annual General Meeting.


NOTE - 4
Share Capital

(All The figures are in rupees unless otherwise started)

| | As at 31.03.2017 | | As at 31.03.2016 | |
|--|--------------------|---------------------|--------------------|---------------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| I. Authorised : | | | | |
| Equity shares of Rs.5 each with voting right : | 2,92,00,000 | 14,60,00,000 | 2,92,00,000 | 14,60,00,000 |
| II. Issued, Subscribed and Paid up: | | | | |
| Equity shares of Rs.5 each with voting right : | 2,90,54,545 | 14,52,72,725 | 2,90,54,545 | 14,52,72,725 |
| Share Application money | | | | |
| | 2,90,54,545 | 14,52,72,725 | 2,90,54,545 | 14,52,72,725 |

a) Terms / rights attached to equity shares

The company has only one class of equity shares having a face value of Rs.5 per share. Each holder of equity share is entitled to one vote per share. The dividends recommended by the Board of Directors. If any are subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity share holders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts. In proportion to the number of shares held.

b) Reconciliation of shares outstanding at the end of the reporting period

| Particulars | As at 31.03.2017 | | As at 31.03.2016 | |
|---|--------------------|---------------------|--------------------|--------------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity shares with voting rights : | | | | |
| Opening Balance | 2,90,54,545 | 14,52,72,725 | 2,90,54,545 | 14,52,72,725 |
| Preferential Allotment (*) | - | - | - | - |
| Closing Balance | 2,90,54,545 | 14,52,72,725 | 1,67,04,545 | 8,35,22,725 |

c) Details of shares held by each shareholder holding more than 5% shares

| Sr.No | Class of shares / Name of shareholder | As at 31.03.2017 | | As at 31.03.2016 | |
|-------|--|--------------------------|-------------|--------------------------|-------------|
| | | Number of shares held | % holding | Number of shares held | % holding |
| | Equity shares with voting | | | | |
| 1. | Prabha Sethia | 11,61,050 | 4% | 11,61,050 | 4% |
| 2. | Nailesh Swaroopchand Mehta | 14,36,868 | 5% | 14,36,868 | 5% |
| 3. | Vinod Dugar | 20,00,000 | 7% | 20,00,000 | 7% |
| 4. | Others | 2,44,56,627 | 84% | 2,44,56,627 | 84% |
| | Total | 2,90,54,545 | 100% | 2,90,54,545 | 100% |


NOTE - 5
Reserves and Surplus

| | | | | |
|--|-------------------|---------------------|-------------------|---------------------|
| General Reserve | | | | |
| As at Commencement of the Year | 5,20,67,265 | | 5,20,67,265 | |
| Add : Transferred from Profit & Loss Account | <u>-00</u> | 5,20,67,265 | <u>-00</u> | 5,20,67,265 |
| Security Premium Account | | | | |
| As at Commencement of the Year | 7,62,50,000 | | 1,45,00,000 | |
| Add : New Shares 1,23,50,000 issued for Premium of Rs. 5/- | <u>-00</u> | 7,62,50,000 | 6,17,50,000 | 7,62,50,000 |
| Profit and Loss Account | | | | |
| As at Commencement of the Year | 5,91,53,358 | | 5,94,76,673 | |
| Add : Transferred from Profit & Loss Account | <u>(2,96,679)</u> | 5,88,56,679 | <u>(3,23,315)</u> | 5,91,53,358 |
| | | 18,71,73,944 | | 18,74,70,623 |

NOTE - 6
Long Term Borrowings

| | | | |
|-----------------------------------|---------------------------|--|--------------------------|
| Secured Loans | | | |
| Finance Lease | 25,90,045 | | 28,49,441 |
| | <u>25,90,045</u> | | <u>28,49,441</u> |
| Unsecured Loans | | | |
| Intercompany deposit | 1,95,35,291 | | 2,195,291 |
| Directors | 3,28,26,484 | | 1,43,33,365 |
| Total Long Term Borrowings | <u>5,49,51,820</u> | | <u>19,378,097</u> |

Current maturities

(Shown under Current Liabilities)

Secured and Unsecured Loans

| | | |
|---|-------------------------|------------------------|
| Finance Lease | 11,31,060 | 7,80,000 |
| | - | - |
| | - | - |
| Total current maturities of Long Term Borrowings | <u>11,31,060</u> | <u>7,80,000</u> |

a) All the installments falling due within 12 months from the date of Balance Sheet have been classified as current liabilities, the aggregate of which is shown as current maturities of long term borrowings under Note - 11, 'Other Current Liabilities'.


NOTE - 7
Net Deferred Tax Liability / (Asset)

| | | |
|---|-----------------|-----------------|
| On net block (Difference of as per Books & as Per Income Tax Act) | 4,22,006 | 8,27,191 |
| | <u>4,22,006</u> | <u>8,27,191</u> |

NOTE - 8
Other Long Term Liabilities

| | | |
|------------------------------|----------|----------|
| Deferred Payment Liabilities | - | - |
| | <u>-</u> | <u>-</u> |

NOTE - 9
Short Term Borrowings

| | | |
|------------------------------------|----------|----------|
| Secured Loans | | |
| Working Capital Loans - From Banks | - | - |
| | <u>-</u> | <u>-</u> |

NOTE - 10
Trade Payables

| | | |
|--|--------------------|---------------------|
| Dues to Micro and Small Enterprises | | |
| Dues to Other than Micro and Small Enterprises | 3,13,07,930 | 58,85,25,798 |
| | <u>3,13,07,930</u> | <u>58,85,25,798</u> |

NOTE - 11
Other Current Liabilities

| | | |
|---|--------------------|-------------------|
| Current Maturities of long term borrowings (Refer Note 6) | 11,31,060 | 7,80,000 |
| Statutory remittances | 35,49,318 | 29,37,553 |
| Other Liabilities | 1,58,36,501 | 2,27,96,860 |
| | - | - |
| | <u>2,05,16,879</u> | <u>26,514,413</u> |

NOTE - 12
Short Term Provisions :

| | | |
|---------------------------|------------------|------------------|
| Provisions for Income Tax | 27,13,602 | 31,13,602 |
| | <u>27,13,602</u> | <u>31,13,602</u> |

NOTE - 14
Inventories

(Valued at Lower of cost or net realisable value)

| | | |
|-------------------|------------------|--------------------|
| Raw Material | 17,60,444 | 2,26,54,901 |
| Stock in progress | 7,65,080 | 18,09,809 |
| Finished Goods | 40,44,300 | 39,29,080 |
| Goods in Transit | - | - |
| | <u>65,69,824</u> | <u>2,83,93,790</u> |


NOTE - 15
Trade Receivables
Debtors outstanding for a period exceeding six months

| | | |
|---------------------------|----------------------------|---------------------------|
| Unsecured Considered Good | 6,66,67,616 | -00 |
| Other Debtors | | |
| Considered Good | 24,67,93,593 | 832,452,394 |
| | <u>31,34,61,209</u> | <u>832,452,394</u> |

NOTE - 16
Cash & Bank Balances

| | | |
|--|---------------------------|---------------------------|
| Cash in Hand | 1,24,32,316 | 1,13,26,856 |
| Balance with noted Banks : | | |
| In Current account | 28,18,337 | 5,96,054 |
| In Fixed Deposits with Banks as margin Money | 10,31,183 | 10,31,183 |
| | <u>1,62,81,836</u> | <u>1,29,54,093</u> |

NOTE - 17
Short term Loans & Advance
Unsecured Advance - Considered good
(i) Advance Tax and Tax Deducted at Source
(ii) Other Advance

| | |
|----------|----------|
| - | - |
| - | - |
| <u>-</u> | <u>-</u> |

NOTE - 18
Revenue from Operations

| | | |
|--------------------|----------------------------|----------------------------|
| Exports | -00 | 30,21,247 |
| Domestic | 38,34,26,335 | 34,90,16,859 |
| | 38,34,26,335 | 35,20,38,106 |
| Less : Excise Duty | 38,34,26,335 | 35,20,38,106 |
| | <u>38,34,26,335</u> | <u>35,20,38,106</u> |

NOTE - 19
Other Income

| | | |
|--------------------|------------------------|------------------------|
| Ground Rent | 1,05,800 | 95,220 |
| Interest from Bank | 1,00,000 | 1,00,808 |
| | <u>2,05,800</u> | <u>1,96,028</u> |

NOTE - 20
Cost of Materials Consumed

| | | |
|---------------------------------|----------------------------|----------------------------|
| Raw Material Consumed | 2,26,54,901 | 2,01,32,255 |
| Opening Stock | 33,60,18,334 | 33,14,57,374 |
| Purchases | 35,86,73,235 | 35,15,89,629 |
| Less Closing Stock | 17,60,444 | 2,26,54,901 |
| Total Cost of Material consumed | <u>35,69,12,791</u> | <u>32,89,34,728</u> |


NOTE - 21
Changes in Inventory

| | | |
|--------------------|------------------|-------------------|
| Opening Stock | | |
| Finished Goods | 39,29,080 | 34,84,000 |
| Work-in-Progress : | 18,09,809 | 13,63,785 |
| | 57,38,889 | 48,47,785 |
| Closing Stock | | |
| Finished Goods | 40,44,300 | 39,29,080 |
| Work-in-Progress : | 7,65,080 | 18,09,809 |
| | 48,09,380 | 57,38,889 |
| Total | 9,29,509 | (8,91,104) |

NOTE - 22
Employee Benefit expense

| | | |
|--|------------------|------------------|
| Salary, Wages, Allowances & other Benefits | 44,66,604 | 44,90,556 |
| Directors Remuneration | 9,00,000 | 9,00,000 |
| | 53,66,604 | 53,90,556 |

NOTE - 23
Financial Cost
Interest On :

| | | | |
|-----------------------|-----------------|----------|------------------|
| Term Loan | -00 | -00 | |
| Vehicle Loan | 4,63,319 | 4,63,319 | 4,58,914 |
| Other Finance Charges | -00 | | 1,911,015 |
| | 4,63,319 | | 2,369,929 |

NOTE - 24
Other Expenses
Operating Administrative & Other Expenses

| | | | |
|-------------------------------|------------------|----------|------------------|
| Power & Fuel | 35,65,043 | | 21,80,004 |
| Rent | 10,80,000 | | 10,80,000 |
| Repairs & Maintenance | 54,485 | | 1,58,654 |
| Insurance | 2,15,938 | | 75,801 |
| Travelling & Conveyance | 23,65,832 | | 13,37,712 |
| Legal & Professional | 9,78,342 | | 18,11,702 |
| Auditors Remuneration | | | |
| As auditors | | | |
| Statutory Audit fee | 1,00,000 | 1,00,000 | |
| Tax Audit fee | 50,000 | 50,000 | |
| Service Tax | 22,500 | 22,500 | |
| | 1,72,500 | | 1,72,500 |
| | 24,893 | | 4,10,599 |
| Transportation Charges | 10,83,319 | | 8,58,989 |
| Other Administrative Expenses | 95,40,352 | | 80,85,961 |


NOTE - 25

In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequate made in the accounts

NOTE - 26

Related Party Disclosures : NIL

NOTE - 27
Contingent Liabilities

| | March 2017 | March 2016 |
|--|------------|------------|
| Claims against the company not acknowledged as debts | NIL | NIL |
| Bank Guarantees issued by bank | | |
| - on behalf of company | NIL | NIL |
| - on behalf of others | NIL | NIL |
| Other money for which the company is contingently liable | NIL | NIL |

NOTE - 28

i) Disclosure of Sundry Creditors Trade Payables on the information available with the Company regarding the status of the suppliers as defined the "Micro, small and Medium Enterprises Development Act, 2006" and relied by the Auditors,

ii) Details of total outstanding dues to Micro and Small Enterprises as per "Micro, Small and Medium Enterprise Development Act, 2006"

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| | Rs in lakhs | Rs in lakhs |
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | | |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | | |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | | |
| (iv) The amount of interest due and payable for the period of delay in making Payment | | |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | | |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | | |

NOTE - 29 Managerial Remuneration :

| Particulars | For the Year | For the Year |
|--------------------------|------------------------------|------------------------------|
| | 31 st March, 2017 | 31 st March, 2016 |
| Managing Director | | |
| Remuneration | 9,00,000.00 | 9,00,000.00 |
| Director | | |
| Remuneration | ----- | ----- |
| | 9,00,000.00 | 9,00,000.00 |

**NOTE - 30**

As per Accounting Standard 22 "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India Rs. 7,27,241(Previous year Rs 7,34,519 of Deferred Tax Liability) of deferred tax asset arising during the financial year has been credited to the current year's Profit and Loss Account.

NOTE - 31**Calculation of earnings per Share**

| Particulars | For the Year | For the Year |
|--------------------------------------|------------------------------|------------------------------|
| | 31 st March, 2017 | 31 st March, 2016 |
| Profit attributable to Share Holders | 2,44,932 | 3,11,42,839 |
| No. of Equity Shares Outstanding | 2,90,54,545 | 2,90,54,545 |
| Weighted No. of Equity Shares | 2,90,54,545 | 2,90,54,545 |
| Nominal Value of Equity Share | 5 | 5 |
| Basic and diluted EPS | 0.01 | 10.78 |

NOTE - 32**Foreign Currency / Exchange Transactions :**

| Sr. No | Particulars | For the Year | For the Year |
|--------|-------------------------------|------------------------------|------------------------------|
| | | 31 st March, 2017 | 31 st March, 2016 |
| A) | Value of Imports on CIF Basis | -00 | -00 |
| B) | Expenditure | -00 | -00 |
| C) | Earnings in Foreign Exchange | | |
| | FOB Value of Exports | | |

NOTE - 33 Debtors other advances and creditors are subject to confirmations and reconciliation.

NOTE - 34 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Paisa has been rounded off to the nearest rupee.

As per our report of even date

N.G. RAO & Associates

Chartered Accountants,

Firm Reg No - 009399S

G.Nageswara Rao

Partner

M.No - 207300

Place : Hyderabad

Date: 01-09-2017

FOR AND ON BEHALF OF THE BOARD DIRECTORS

Sd/-

(PRABHAT SETHIA)
MANAGING DIRECTOR

Sd/-

Sanjay I Bora
Director



M/S FILATEX FASHIONS LTD

INCOME TAX ASSESSMENT YEAR 2017 - 18

ACCOUNTING YEAR 01-04-2016 TO 31-03-2017

DETAILS OF DEPRECIATION ASSETS AS ON 31-3-2017 UNDER COMPANIES ACT 2013

| As per SLM Method | | | | | | | | | | |
|-------------------|--|---------------|------------|----------|---|---|-------------------|--------------|-------------|-----------|
| Asset | Date Of Purchase Of New / Existing Asset | Original Cost | WDV as on | Addition | Estimated useful life as per schedule II (in years) | Balance days of Assets per Remaining life as on | Days used in year | Rate of Dep. | Dep. Amount | Net block |
| | | | 3/31/2016 | | | 3/31/2016 | | | | 3/31/2016 |
| BUILDINGS | 1 Jan - 97 | 9582420 | 3836507 | | 30 | 3920 | 365 | 8.15% | 3,12,614 | 35,23,893 |
| | 1 Jan - 98 | 2899909 | 1599347 | | 30 | 4285 | 365 | 7.75% | 1,23,883 | 14,75,464 |
| | 1 Jan - 01 | 715969 | 787881 | | 30 | 5381 | 365 | 6.47% | 51,015 | 7,76,866 |
| LAND | 1 Jan - 97 | 13,78,660 | 13,78,660 | | | | | | | 13,78,660 |
| OFFICE | | | | | | | | | | |
| EQUIPMENT | | | | | | | | | | |
| ELECTRICAL | 1 Apr - 09 | 10,00,000 | 5,01,585 | | 10 | 1093 | 365 | 30.07% | 1,50,804 | 3,50,781 |
| FITTINGS | 1 Jan - 09 | 37128 | 13160 | | 10 | 1003 | 365 | 31.26% | 4,113 | 9,047 |
| | 1 Jan - 11 | 231630 | 120339 | | 10 | 1733 | 365 | 19.03% | 22,906 | 97,433 |
| PLANT AND | 1 Jan - 01 | 88920 | 3618.096 | | 15 | -94 | 365 | 88.86% | 3,215 | 403 |
| MACHINERY | 1 Jan - 10 | 587210 | 332154.035 | | 15 | 3193 | 365 | 10.42% | 34,613 | 2,97,541 |
| INDIGENOUS | 1 Jan - 12 | 1884000 | 1301608.4 | | 15 | 3923 | 365 | 8.63% | 1,12,338 | 11,89,270 |
| | 1 Apr - 97 | 23333557 | 619215.469 | | 20 | 360 | 365 | 82.28% | 5,09,517 | 1,09,698 |
| IMPORTED | 1 Jan - 11 | 10899235 | 74,19,423 | | 15 | 3558 | 365 | 9.51% | 7,05,222 | 67,14,201 |
| | 1 Jan - 13 | 6160799 | 49,76,432 | | 15 | 4289 | 365 | 7.98% | 3,97,287 | 45,79,145 |
| | 1 Apr - 97 | 37113207 | 71,36,621 | | 20 | 360 | 365 | 75.03% | 53,54,307 | 17,82,314 |



M/S FILATEX FASHIONS LTD

INCOME TAX ASSESSMENT YEAR 2016 - 17

ACCOUNTING YEAR 01-04-2016 TO 31-03-2017

DETAILS OF DEPRECIATION ASSETS AS ON 31-3-2017 UNDER COMPANIES ACT 2013

| As per SLM Method | | | | | | | | | | |
|---------------------|--|---------------|-------------|-----------|---|---|-------------------|--------------|-------------|-------------|
| Asset | Date Of Purchase Of New / Existing Asset | Original Cost | WDV as on | Addition | Estimated useful life as per schedule II (in years) | Balance days of Assets per Remaining life as on | Days used in year | Rate of Dep. | Dep. Amount | Net block |
| | | | 3/31/2016 | | | 3/31/2016 | | | | 3/31/2016 |
| FURNITURE & FIXTURE | 1 Apr - 10 | 2232301 | 1,65,396 | | 10 | 1458 | 365 | 8.14% | 13,464 | 1,51,932 |
| | 1 Jan - 09 | 365550 | 1,38,964 | | 10 | 1003 | 365 | 31.60% | 43,919 | 95,045 |
| | 1 Jan - 10 | 2232301 | 10,33,954 | | 10 | 1368 | 365 | 23.80% | 2,46,092 | 7,87,862 |
| MOTOR CAR | 1 Apr - 97 | 767751 | 0 | | 10 | 0 | 365 | 0.00% | 0 | 0 |
| | 1 Jan - 13 | 332256 | 235785 | | 10 | 2464 | 365 | 13.77% | 32,467 | 2,03,318 |
| | 22-Sep-16 | | | 1223134 | 10 | 3650 | 365 | 9.50% | 1,16,516 | 11,06,618 |
| COMPUTER | 1-Jan-13 | 1089400 | 773091 | | 10 | 2464 | 365 | 13.77% | 1,06,452 | 6,66,639 |
| | 1-Apr-14 | 5379377 | 43,57,295 | | 10 | 2919 | 365 | 11.73% | 5,11,216 | 38,46,079 |
| | 1 Jan - 09 | 120548 | -00 | | 3 | 0 | 365 | 0.00% | 0 | - |
| TOTAL | 1 Jan - 10 | 61850 | -00 | | 3 | 0 | 365 | 0.00% | 0 | - |
| | 1 Apr - 14 | 47500 | 17,416 | | 3 | 364 | 365 | 86.60% | 15,082 | 2,334 |
| | | 8,75,41,478 | 3,67,48,452 | 12,23,134 | | | | | 88,67,042 | 2,91,04,543 |
| | | | | | | | | | | |



Deferred Taxes for the year ended 31st March, 2016

| Current Year Charges | As per Books | As per Income Tax Act | Temporary Timing Differences | Tax Rate | Deferred Taxes Asset |
|----------------------|--|-----------------------|------------------------------|----------|----------------------|
| 2016 - 17 Net Bolck | 29,104,543 | 30,470,258 | -1,365,715 | 30.9% | (422,006) |
| | Differed Tax Liability | | | | (422,006) |
| | Opening Liability | | | | 827,191 |
| | Amount to be Credited to Profit & Loss A/c | | | | 1,249,197 |

**Form No. MGT-12****BALLOT PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN : L51491TG1994PLC017158 Name of the company : FILATEX FASHIONS LIMITED

Registered Office : My Fair Gardens, 8-2-682/3/A & 3B, Flat No 201,
2nd Floor, Road No 12 Banjara Hills, Hyderabad – Telangana 500034 India

| S. No. | Particulars | Details |
|--------|---|---------|
| 1 | Name of the First Named Shareholder (In block letters) | |
| 2 | Postal address | |
| 3 | Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form) | |
| 4 | Class of Share | |

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

| S. No. | Item No. | No. Of shares Held by Me | I assent to the Resolution | I dissent from the Resolution |
|--------|---|--------------------------|----------------------------|-------------------------------|
| 1 | To receive, consider and adopt the Financial Statement of the Company for the financial year ended March 31, 2017: | | | |
| 2 | Re-appointment of Mr. Prabhat Sethia (DIN: 00699415), as a Director liable to retire by rotation | | | |
| 3 | Appointment of M/s N G Rao & Associates, Chartered Accountants, Secunderabad as Auditors of the Company and to fix their remuneration | | | |

Place : Hyderabad

Date : 29th September, 2017

.....
Signature of The Shareholder

E-VOTING Users who wish to opt for e-voting may use the following login credentials. Please follow the steps for e-voting procedure as given in the Notice of AGM by logging on to <https://www.evotingindia.com/>



FILATEX FASHIONS LTD.

Annual Report 2016-2017

FILATEX FASHION LTD., Cash Flow Statement For the year ended 31.03.2017

| Particulars | for the year ended 31.03.2017 | for the year ended 31.03.2016 |
|---|----------------------------------|----------------------------------|
| | Amount Rs. | Amount Rs. |
| I. Cash Flow from Operation Activities | | |
| Net Profit / (Loss) Before extraordinary Items & Tax | 15,52,518 | (3,89,145) |
| Adjustments For : | | |
| Depreciation and amortisation | 88,67,042 | 87,33,209 |
| Other Income | 1,04,19,560 | 83,44,064 |
| (Increase) / Decrease in current Assets (Other than cash and inventories) | 50,09,49,029 | (14,28,87,670) |
| Decrease in Inventories | 2,18,23,966 | -34,13,750 |
| Increase / (Decrease) in current Liabilities | -56,36,15,402 | 5,92,83,734 |
| Cash generated from operations | (3,04,22,847) | (7,86,73,622) |
| Income Tax Paid (Net of refund) | (6,00,000) | (8,61,311) |
| Net Cash from operations Activities | (3,10,22,847) | (7,95,34,933) |
| II. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | | |
| Proceeds from sale of Fixed Assets | (12,23,134) | -0.00 |
| Purchase of Investments | | |
| Indirect Income | | |
| Net Cash From Investing Activities | (12,23,134) | -0.00 |
| III. Cash Flow from Financing Activities | | |
| Proceeds from issuance of share capital | -0.00 | 12,05,00,000 |
| Repayments of Long Term / Short Term Borrowings | 3,55,73,723 | (6,18,16,622) |
| Net cash Used in Financing Activities | 3,55,73,723 | 5,86,83,378 |
| Net Increase in Cash And Cash Equivalents(I+II+III) | 33,27,743 | (2,08,51,555) |
| Cash And Cash equivalents Beginning of Period | 1,29,54,093 | 3,38,05,648 |
| Cash And cash equivalents End of Period | 1,62,81,836 | 1,29,54,093 |

Schedules form part of the Balance sheet

As per our Report of even date
N. G. RAO & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG NO: 0093995

Sd-

PRABHAT SETHIA
(Managing Director)
DIN : 00699415

Sd-

SANJAY I BORA
(Director)
DIN : 02470629

Sd-

(CA. G NAGESWARA RAO)
Partner

Date: 01-09-2017
Place: Hyderabad

M.No. :207300



FILATEX FASHIONS LTD.

Annual Report 2016-2017

FILATEX FASHIONS LIMITED
23rd ANNUAL GENERAL MEETING
Registered Office: 201, 2nd Floor, May Fair Gardens,
Road No. 12, Banjara Hills, Hyderabad - 500 034

PROXY FORM

I / We _____ of _____ being
Member of FILATEX FASHION LIMITED, hereby appoint Mr/Mrs _____ of
_____ or failing him, Mr. / Ms. _____ of _____
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual
General Meeting of the Company to be held on, the 29th September, 2017 at 10.00 AM. at the
registered office of the Company at MY FAIR GARDENS, 8-2-682/3/A & 3B, FLAT NO 201, 2ND
FLOOR, ROAD NO 12 BANJARA HILLS, HYDERABAD – TELANGANA 500034, and at any
adjournment thereof in respect of such resolutions as are indicated below:

Folio #/ Client ID:

As Witness my / our hand (s) this _____ day of _____ of 2016

Signed by the said _____

Affix
Rs.1.00
Revenue
Stamp

Note: The proxy from duly completed must be deposited at the registered office of the company not less than 48 hours before the time for holding meeting. A proxy need not be a member.

FILATEX FASHIONS LIMITED
22nd ANNUAL GENERAL MEETING
Registered Office: 201, 2nd Floor, May Fair Gardens,
Road No. 12, Banjara Hills, Hyderabad - 500 034

ATTENDANCE SLIP

I hereby record my / our presence at the 23rd Annual General Meeting of the company at #201, May Fair Gardens, Road No.12, Banjara Hills, Hyderabad -500034 and at any adjournment.

| Name of the share Holder/Proxy | Folio No. | No. of shares |
|--------------------------------|-----------|---------------|
| | | |

Member's / Proxy Signature

Note: Shareholder/ Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed

