

Fairdeal Filaments Ltd.

ANNUAL REPORT 2012-13



23rd

TWENTY THIRD ANNUAL REPORT

TWENTY THIRD ANNUAL REPORT 2012-13

BOARD OF DIRECTORS : Mr. Jayantilal R. Shah Chairman
: Mr. Dhirajlal R. Shah Managing Director
: Mr. Arvind R. Shah Whole-time Director
: Mr. Manubhai J. Shah Director
: Mr. Rajendra K. Desai Director
: Mr. Nandish S. Vin Director

COMPANY SECRETARY : CS Prachi V. Shukla

AUDITORS : M/s. Natvarlal Vepari & Co.
Chartered Accountants, Surat.

BANKERS : Bank of Baroda
Zampa Bazar, Surat.

PLANT LOCATION : 1. Mota Borasara, Kim, Taluka : Mangrol, District : Surat
2. Limodara Patiya, Karanj, Taluka : Mandvi, District : Surat

REGISTERED OFFICE : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat - 395 002.
Tel. No. (0261) 3090200 Fax No. (0261) 2635550
E-mail: info@shahlon.com Website: www.shahlon.com

REGISTRARS AND TRANSFER AGENTS : MCS Limited
Neelam Apartment, 88, Sampatrao Colony,
Alkapuri, Vadodara- 390 007
Tel No.: (0265) 2339397/2314757
Fax No.: (0265) 2341639
E-mail: mcsltdbaroda@yahoo.com

ISIN for NSDL & CDSL : INE719D01011

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ANNUAL REPORT 2012-13

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NOTICE

Notice is hereby given that 23rd Annual General Meeting of members of FAIRDEAL FILAMENTS LIMITED will be held on **Monday, 30th day of September, 2013 at 11:00 A.M.** at the Registered Office of the company situated at 3rd Floor, Dawer Chambers, Nr. Sub Jail, Ring Road, Surat- 395 002 to transact the following Business:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Manubhai J. Shah, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Nandish S. Vin, director who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Natvarlal Vepari & Co., Chartered Accountants, as Auditors of company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

In this connection, to consider and if thought fit, to pass following resolution, with or without modification(s), as an **Ordinary Resolution :**

RESOLVED THAT M/s. NATVARLAL VEPARI & CO., Chartered Accountants, Surat, be and are hereby appointed as Auditors of Company to hold office from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting AND THAT their remuneration be determined by the Board of Directors.

Special Business :

6. To consider & if thought fit, to pass, with or without modification, following resolution as a Special Resolution :

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves appointment of Shri Dhirajlal Raichand Shah, who has been re-appointed by the Board of Directors at their meeting held on 07.08.2013 as Managing Director of Company w.e.f October 1, 2013 to September 30, 2016, upon remuneration and terms and conditions set out in draft supplement agreement submitted to this meeting and initialed by the Chairman, for the purpose of identification which agreement is hereby specifically sanctioned.

7. To consider & if thought fit, to pass, with or without modification, following resolution as a Special Resolution :

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves appointment of Shri Arvind Raichand Shah, who has been re-appointed by the Board of Directors at their meeting held on 07.08.2013 as Whole-time Director of Company w.e.f October 1, 2013 to September 30, 2016, upon remuneration and terms and conditions set out in draft supplement agreement submitted to this meeting and initialed by the Chairman, for the purpose of identification which agreement is hereby specifically sanctioned.

8. To consider and if thought fit, to pass with or without modification, following resolution as an Ordinary Resolution :

RESOLVED THAT in supersession of the resolution passed by the members of the Company at Annual General Meeting dated 27.09.2003 and pursuant to the provisions of Section 293(1) (d) of the Companies Act, 1956 read with Article 82 of the Articles of Association of the Company, consent be and is hereby accorded to the board of directors to borrow funds/monies on behalf of the Company, from time to time and as may deem fit and proper for business of the Company, in such a way that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in ordinary course of business) and outstanding for the time being in force, though exceeding paid-up share capital and free reserves (that is to say, reserves not set apart for any specific purpose) of the Company, shall not exceed Rs. 75 Crores at any time.

RESOLVED FURTHER THAT consent be and is hereby accorded to provide security against the monies borrowed by the Company as aforesaid, by way of creation or modification of the charge, as the case may be, over the property/properties of the Company under the borrowing arrangements entered into/to be entered into by the Company with the Lending Banks/Institutions, as the Board thinks fit in the interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board or the Committee(s) or Director(s), as authorised by the Board, be and is/are hereby authorised to finalise, settle and execute such documents, agreements, undertakings, deeds as may be required for the aforesaid purpose and to do such acts and deeds in his/her/their/its absolute discretion, as may deem fit and proper in the best interest of the Company.

By Order of Board of Directors of
Fairdeal Filaments Limited

Place : Surat
Date : 7th August, 2013

Prachi V. Shukla
Company Secretary

NOTES

1. The relevant details of person seeking appointment or re-appointment as required by Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange are annexed herewith.
2. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 in respect of the business specified above is annexed herewith.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered office of the company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of corporate, societies, trusts, etc. must be supported by appropriate resolution/ authority as applicable, issued on behalf of the nominating organization.
4. The Register of Members and Share Transfer Books of the Company will be closed from September 17, 2013 to September 30, 2013 (both days inclusive) for the purpose of payment of dividend to those members whose names stand on the Register of Members as on September 17, 2013. The dividend in respect of equity shares held in electronic form will be payable to the beneficial owners of the equity shares as at the end of business hours on September 16, 2013 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
5. The dividend on equity shares as recommended by Board of Directors for the year ended on 31.03.2013 will be payable on or after September 30, 2013 in accordance with the resolution to be passed by members of Company.
6. Members are requested to immediately notify any change in their address :
 - To their Depository Participants (DPs) in respect of shares held electronically and
 - To Company at its Registered Office or MCS Limited, the Registrar and Share Transfer Agent of Company, in respect of shares held physically, by sending duly filled and signed "INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION", along with all evidential documents as mentioned in the said form. The above said form is available at the end of this Annual Report as well as on the website of the Company.
7. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are requested to submit their PAN details to their Depository Participant (DP) and members holding shares in physical form are requested to submit their PAN details to the Company / MCS Limited, Registrar and Share Transfer Agent of Company.
8. Pursuant to the provisions of Section 205 of the Companies Act, 1956 (the Act), all unclaimed / unpaid dividends for the financial year ended on 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period, are requested to forward their claims in the prescribed Form No. II to the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the office of the Registrar of Companies, Gujarat at Ahmedabad.

Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Central Government and thereafter no claims shall lie against the company or the Fund and no payments shall be made in respect of any such claim.

Details pertaining to the unclaimed and unpaid dividends transferred by Company to the Fund, pursuant to Section 205C of the Companies Act, 1956, during last 3 financial years are tabulated as below:

Financial Year	Date of Declaration of dividend	Amount Transferred to the Fund (Rs.)	Date of Transfer to IEPF
31.03.2003	27.09.2003	164550	07.12.2010
31.03.2004	25.09.2004	151900	26.11.2011
31.03.2005	24.09.2005	161943	01.12.2012

9. Members/Proxy Holders should bring Attendance Slips duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report at the Meeting.
10. Members seeking any information concerning the accounts and operations are requested to send their queries to the company at least 10 days before the date of the meeting, so that information required can be made available at the meeting.

Annexure to Notice

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6 :

Mr. Dhirajlal R. Shah was re-appointed as a Managing Director of the company for a period of 3 years with effect from 1st October'2010 by Board of Directors at their meeting held on 30.07.2010. The members at their Annual General Meeting held on 30th September, 2010, approved his appointment. The term of his office will expire on 30.09.2013.

Taking into consideration his present salary, the industry scenario, performance and growth of the company under his management and based on the recommendations of the Remuneration Committee, the Board of Directors at their meeting held on August 7, 2013 decided to re-appoint him as Managing Director of the company for a period of three years w.e.f. 01.10.2013 with remuneration as mentioned in draft agreement approved by the Board, subject to the approval of the Members. The Directors are of the view that re-appointment of Mr. Dhirajlal R. Shah as Managing Director will be beneficial for the smooth operations of the company.

Information required to be furnished as per Schedule XIII (Part-II, Section- II) to the Companies Act, 1956 are as under:

General and other Information :

Nature of Industry :

The Man-made Fibre Textile industry in India is vibrant and growing. It boasts of nearly self sufficient raw material production base and produces a wide range of textiles. India has emerged as one of the World's leading manufacturer of man-made textiles, capable of supplying a wide range of textiles to the domestic and global markets. The fibres and filament yarns produced in India are comparable to the best in the world.

A conducive policy environment provided by the Government has contributed in placing the industry on the path of rapid growth.

Financial/ Operational performance :

Your company has achieved turnover of Rs. 15754.33 lacs during the year under review as compared to Rs. 14624.26 lacs for the previous year.

The company has achieved operating profit of Rs. 843.63 lacs as compared to Rs. 862.04 lacs for the previous year. Profit before tax for the financial year under review has accelerated by 21.37% to Rs. 160.98 during the year under review from Rs. 132.64 lacs for the previous year. The Company has achieved Net Profit after tax of Rs. 82.00 lacs, an increase by 52.39% from Rs. 53.81 lacs during the previous year.

Steps to improve profitability :

The company proposes to improve productivity and profits through higher capacity utilization and increased opportunities in export of yarn as well as fabrics.

The company has made export earnings worth Rs. 575.22 lacs during the year 2012-13. During FY 2013-14, up to 31.07.2013, the company has achieved export turnover of Rs. 510.39 lacs.

Information about the appointee :

Mr. Dhirajlal R. Shah is a commerce graduate aged about 58 years is having rich experience of more than 28 years in textile business. He is a Promoter-Director and associated with the company since its inception. He is associated with various business associations and has successfully represented various issues of the textile industries before government and other authorities from time to time.

He looks after finance and overall administration of the company. He is presently drawing salary of Rs. 2,50,000/- p.m. Remuneration proposed is Rs. 2,50,000/- p.m. The company has no pecuniary relationship or transaction with Mr. Dhirajlal R. Shah other than payment of salary. He is brother of Mr. Jayantilal R. Shah and Mr. Arvind R. Shah - Directors of the company.

The Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

The draft Agreement between the company and Mr. Dhirajlal R. Shah as a Managing Director of the company contains the following principal terms and conditions :

I. Remuneration :

A. Salary :

Salary of Rs. 2,50,000/- per month w.e.f. 01.10.2013 for a period of three years i.e. 30.09.2016.

Minimum Remuneration : Notwithstanding anything contained to the contrary herein, where in any financial year during the currency of the tenure of Mr. Dhirajlal R. Shah, the profits are inadequate; the company will pay remuneration as specified above.

B. Other benefits :

In addition to the salary as above,

- i) Company's contribution to Provident fund to the extent it is not taxable under the Income-tax Act and Gratuity as per provisions of the Payment of Gratuity Act, will not be included in the computation of the ceiling of remuneration specified above.
- ii) Car for use on company's business, mobile, telephone and other communication facilities at residence will not be considered as perquisites.
- iii) The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof during his tenure as such.
- iv) The Managing Director shall during his tenure use his endeavor to promote the interest of business of the company and will not divulge or disclose to any person, firm or company any confidential information.
- v) The Managing Director shall be entitled to reimbursement of actual expenses incurred by him for and on behalf of the company.
- vi) The Board is entitled to terminate the Agreement forthwith by notice in writing on his vacation of office of Director by virtue of Sections 283, 284 and other applicable provisions of the Companies act, 1956 and in other cases, by 6 months' previous notice in writing by either party.
- vii) In the event of any difference or dispute arising between the company and Managing Director in respect of this agreement or with reference to any matters arising out of or incidental thereto shall be settled by arbitration.

In compliance with the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members in general meeting for their approval.

The Board recommends the resolutions at Item No. 6 for acceptance by the Members.

The draft agreement between the company and Mr. Dhirajlal R. Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

Mr. Dhirajlal R. Shah is concerned or interested in the Resolution at Item Nos. 6 of the Notice. Mr. Jayantilal R. Shah and Mr. Arvind R. Shah, Directors of the company are also interested in the said resolution as they are brothers of Mr. Dhirajlal R. Shah.

This may be treated as an abstract of the draft agreement between the company and Mr. Dhirajlal R. Shah pursuant to Section 302 and Schedule XIII to the Companies Act, 1956.

Item No. 7 :

Mr. Arvind R. Shah was re-appointed as a Whole-time Director of the company for a period of 3 years with effect from 1st October'2010 by Board of Directors at their meeting held on 30.07.2010. The members at their Annual General Meeting held on 30th September, 2010, approved his appointment. The term of his office will expire on 30.09.2013.

Taking into consideration his present salary, the industry scenario, performance and growth of the company under his management and based on the recommendations of the Remuneration Committee, the Board of Directors at their meeting held on August 7, 2013 decided to re-appoint him as Whole-time Director of the company for a period of three years w.e.f. 01.10.2013 with remuneration as mentioned in draft agreement approved by the Board, subject to the approval of the Members. The Directors are of the view that re-appointment of Mr. Arvind R. Shah as Whole-time Director will be beneficial for the smooth operations of the company.

Information required to be furnished as per Schedule XIII (Part-II, Section- II) to the Companies Act, 1956 are as under:

General and other Information :

Nature of Industry :

The Man-made Fibre Textile industry in India is vibrant and growing. It boasts of nearly self sufficient raw material production base and produces a wide range of textiles. India has emerged as one of the World's leading manufacturer of man-made textiles, capable of supplying a wide range of textiles to the domestic and global markets. The fibres and filament yarns produced in India are comparable to the best in the world.

A conducive policy environment provided by the Government, have contributed in placing the industry on the path of rapid growth.

Financial/ Operational performance :

Your company has achieved turnover of Rs. 15754.33 lacs during the year under review as compared to Rs. 14624.26 lacs for the previous year.

The company has achieved operating profit of Rs. 843.63 lacs as compared to Rs. 862.04 lacs for the previous year. Profit before tax for the financial year under review has accelerated by 21.37% to Rs. 160.98 during the year under review from Rs. 132.64 lacs for the previous year. The Company has achieved Net Profit after tax of Rs. 82.00 lacs, an increase by 52.39% from Rs. 53.81 lacs during the previous year.

Steps to improve profitability :

The company proposes to improve productivity and profits through higher capacity utilization and increased opportunities in export of yarn as well as fabrics.

The company has made export earnings worth Rs. 575.22 lacs during the year 2012-13. During FY 2013-14, up to 31.07.2013, the company has achieved export turnover of Rs. 510.39 lacs.

Information about the appointee :

Mr. Arvind R. Shah is a science graduate aged about 54 years having rich experience of more than 28 years in textile business. He is a Promoter-Director and associated with the company since its inception. He is heading the marketing department and has efficiently developed large number of local as well as export customer base.

He is presently drawing salary of Rs. 2,50,000/- p.m. Remuneration proposed is Rs. 2,50,000/- p.m. The company has no pecuniary relationship or transaction with Mr. Arvind R. Shah other than payment of salary. He is brother of Mr. Jayantilal R. Shah and Mr. Dhirajlal R. Shah - Directors of the company.

The Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

The draft Agreement between the company and Mr. Arvind R. Shah as a Whole-time Director of the company contains the following principal terms and conditions:

I. Remuneration :

A. Salary :

Salary of Rs. 2,50,000/- per month w.e.f. 01.10.2013 for a period of three years i.e. 30.09.2016.

Minimum Remuneration: Notwithstanding anything contained to the contrary herein, where in any financial year during the currency of the tenure of the said Mr. Arvind R. Shah, the profits are inadequate; the company will pay remuneration as specified above.

B. Other benefits :

In addition to the salary as above,

- i) Company's contribution to Provident fund to the extent it is not taxable under the Income –tax Act and Gratuity as per provisions of the Payment of Gratuity Act, will not be included in the computation of the ceiling of remuneration specified above.
- ii) Car for use on company's business, mobile, telephone and other communication facilities at residence will not be considered as perquisites.
- iii) The Whole-time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof during his tenure as such.
- iv) The Whole-time Director shall during his tenure use his endeavor to promote the interest of business of the company and will not divulge or disclose to any person, firm or company any confidential information.
- v) The Whole-time Director shall be entitled to reimbursement of actual expenses incurred by him for and on behalf of the company.
- vi) The Board is entitled to terminate the Agreement forthwith by notice in writing on his vacation of office of Director by virtue of Sections 283, 284 and other applicable provisions of the Companies act, 1956 and in other cases, by 6 months' previous notice in writing by either party.
- vii) In the event of any difference or dispute arising between the company and Whole-time Director in respect of this agreement or with reference to any matters arising out of or incidental thereto shall be settled by arbitration.

In compliance with the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members in general meeting for their approval.

The Board recommends the resolutions at Item Nos. 7 for acceptance by the Members.

The draft agreement between the company and Mr. Arvind R. Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

Mr. Arvind R. Shah is concerned or interested in the Resolution at Item Nos. 7 of the Notice. Mr. Jayantilal R. Shah and Mr. Dhirajlal R. Shah, Directors of the company are also interested in the said resolution as they are brothers of Mr. Arvind R. Shah.

This may be treated as an abstract of the draft agreement between the company and Mr. Arvind R. Shah pursuant to Section 302 and Schedule XIII to the Companies Act, 1956.

Item No. 8 :

Pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of directors shall not borrow funds/monies where funds/monies to be borrowed together with the funds/monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in ordinary course of business), exceeds the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, except with the consent of the Company in General Meeting.

At an Annual General Meeting of the Company held on 27.09.2003, shareholders had accorded approval to borrow funds, together with the monies already borrowed (apart from temporary loans obtained from the company's bankers in ordinary course of business), upto an amount not exceeding Rs. 50 Crores.

Looking at the future expansion programme of the Company, the ceiling fixed by the members of the Company for the borrowings may exceed. Therefore, your directors place before you the proposal to increase the maximum borrowing limit from existing limit of Rs. 50 Crores to Rs. 75 Crores.

None of the directors of your company is interested either directly or indirectly in the said resolution and your approval to the above mentioned resolution has been recommended in the interest of the company.

2. As required by Clause 49 IV (G) of the Listing Agreement with the stock exchange, the information relating to the Directors proposed to be reappointed is provided hereunder :

Name of Directors	Mr. Manubhai J. Shah	Mr. Nandish S. Vin
Date of Birth	24.07.1931	04.12.1983
Date of Appointment	18.04.1997	25.04.2011
Expertise in specific functional areas	Secretarial, Legal & Finance	Finance & Accounts
Qualification	B.Com. B.A., LL.B., F.C.S.	B.Com, A.C.A.
Directorship held in other companies	Nil	1. Vrantanta Corporate Solutions Pvt. Ltd. 2. Laureate Corporate Support Pvt. Ltd.
Committee position held in other companies	Nil	Nil

Directors' Report

Your Directors are pleased to present 23rd Annual Report and audited accounts for the year ended 31st March, 2013.

Financial Results

(Rs. in Lacs)

Particulars	2012-13	2011-12
Total Revenue	15754.33	14624.26
Profit before interest and depreciation	843.63	862.04
Less : Interest	437.13	513.80
Depreciation	245.52	215.60
Profit before Tax	160.98	132.64
Less : Provision for Current Taxation	56.61	63.94
Provision for Deferred Taxation	5.57	14.57
Profit after Tax adjustment	98.80	54.13
(Excess)/Short provision for taxation in earlier year	(16.80)	(0.32)
Net Profit	82.00	53.81
Add : Balance brought forward from previous year	377.74	378.45
Amount available for Appropriation	459.74	432.26
Less : Transfer to General Reserve	2.10	1.35
Proposed Dividend	45.75	45.75
Tax on Dividend	7.42	7.42
Balance Carried to Balance Sheet	404.47	377.74

Dividend

Your Directors recommend dividend at the rate of 12.50% i.e. Rs. 1.25 per share on the Paid-up Equity Share Capital of company for the year ended on 31st March, 2013, subject to the approval of members at the forthcoming Annual General Meeting of Company.

Operational Performance

Your Company has achieved turnover of Rs. 15754.33 lacs during the year under review as compared to Rs. 14624.26 lacs for the previous year.

Earnings before Interest, Depreciation and Tax(EBIDTA), during the year under review is Rs. 843.63 lacs as compared to Rs. 862.04 lacs for the previous year. Profit before tax for the financial year under review has accelerated by 21.37% to Rs. 160.98 during the year under review from Rs. 132.64 lacs for the previous year. Your Company has achieved Net Profit after tax of Rs. 82.00 lacs, an increase by 52.39% from Rs. 53.81 lacs during the previous year.

Fixed Deposits

Your company has not accepted any deposits from the public during the year under review.

Directors

- In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the company, Shri Manubhai J. Shah, Director and Shri Nandish S. Vin, Director of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.
- Brief particulars of the Directors retiring by rotation and proposed to be re-appointed at the forthcoming AGM have been given in the Annexure to Notice of Annual General Meeting.

Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo

Information pursuant to clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to total energy consumption and energy consumption per unit of production is given in Annexure-A of this Report. Particulars with respect to Technology Absorption, Research and Development are Nil.

Foreign Exchange Earnings and Outgo
(Rs. in Lacs)

	2012-13	2011-12
I) Foreign Exchange Earnings	575.22	845.83
II) Foreign Exchange Outgo :		
a) Raw Material	0.00	0.00
b) Capital Goods	76.95	21.41
c) Consumable Spares	23.76	9.53
d) Foreign Traveling	2.54	1.38
e) Commission Expenses on Export	11.88	23.73

Particulars of Employees

None of the employees of the company was in receipt of remuneration exceeding the limits specified under sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors based on the representation received from the Operating Management, confirm that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to all material departures;
- ii) they have, in selection of accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period;
- iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) they have prepared the annual accounts of the company on a 'Going Concern' basis.

Auditors and Auditor's Report

M/s. Natvarlal Vepari & Co., Chartered Accountants, Surat, Statutory Auditors of the company, holds office until the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment. The company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under sub-section (1B) of Section 224 of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of Sub-section (3) of Section 226 of the Companies Act, 1956, for such appointment. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

Cost Auditors

The Central Government had directed an audit of cost accounts maintained by the company in respect of Textiles business. The Board of Directors, subject to the approval of Central Government, have appointed M/s. A. Goyal & Co., Cost Accountants, Jaipur as Cost Auditors of the company for conducting the cost audit for financial year 2013-14. The Cost Audit Report for the year ended on 31st March, 2013 will be submitted by M/s. M. Goyal & Co., Cost Accountants, Jaipur, to the Central Government after approval of the Board of Directors of your company.

Corporate Governance and Compliance Certificate

A separate section on Corporate Governance and a certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the stock exchange, forms part of the Annual Report.

Acknowledgment

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Banks, Financial Institutions, Government Authorities, Customers, Suppliers and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services of employees of company at all the levels.

For and on behalf of the Board of Directors

Place : Surat
Date : 7th August, 2013

Jayantilal R. Shah
Chairman

ANNEXURE “A” TO THE DIRECTORS' REPORT

A. POWER AND FUEL CONSUMPTION :

	FFLKIM	FFLKRJ-1	FFLKRJ-2
POWER GENERATED THROUGH OWN DIESEL GENERATOR			
Quantity (Ltrs. in lacs)	0.15	0.02	0.23
Total Value (Rs. in lacs)	1.78	0.19	2.80
Cost / Unit (Rs.)	12.20	11.57	12.05
POWER PURCHASED			
Unit (in lacs)	5.03	25.26	35.56
Total Value (Rs. in lacs)	36.82	168.68	245.74
Cost / Unit (Rs.)	7.32	6.68	6.91
LIGNITE			
Quantity (Kgs. in lacs)	16.97	-	-
Total Value (Rs. in lacs)	52.29	-	-
Cost / Unit (Rs.)	3.08	-	-

B. CONSUMPTION PER UNIT OF PRODUCTION :

Power & Fuel	Current Year	Previous Year
Yarn - POWER		
FFLKIM	0.34	0.32
FFLKRJ-1	0.97	0.92
FFLKRJ-2	1.29	1.84
Fabrics : FFLKRJ-1	0.28	0.25
Lignite		
FFLKIM	1.11	1.10

For and on behalf of the Board of Directors

Place : Surat
Date : 7th August, 2013

Jayantilal R. Shah
Chairman

Report on Corporate Governance

1. Company's Philosophy on the Code of Governance :

Fairdeal's philosophy of undertaking business through ethical and fair means has been its foundation. The company's management firmly believes that good corporate governance should be internally driven and not to be looked upon just as an issue of compliance dictated by statutory requirements. Fairdeal's philosophy on corporate governance envisages the attainment of the highest level of transparency, integrity, honesty and accountability in all facets of its operations. We consistently and periodically review our systems and policies in order to establish sound risk management and internal control systems. Rapid problem solving approach and incessant fulfillment of the expectations of shareholders, customers, suppliers, lenders and society as a whole is reflective of eminent Corporate Governance Policies at Fairdeal.

2. Board of Directors :

- **Size of the Board**

The Board of Directors consists of 6 Directors.

- **Composition of the Board, Details of attendance of each Director at the Board meetings, last Annual General Meeting and number of other directorship(s) and membership(s) and chairmanship(s) of Committee(s) in other Companies of each Director are as follows :**

Category	Name of Directors	Attendance		Other Directorships	Committees in other companies	
		Board Meetings	Last AGM		Member-ships	Chairman-ships
Promoter/Executive Directors	Dhirajlal R. Shah (Managing Director)	3	Yes	14	Nil	Nil
	Arvind R. Shah (Whole-time Director)	4	Yes	3	Nil	Nil
Promoter/Non-Executive Director	Jayantilal R. Shah (Chairman)	4	Yes	2	Nil	Nil
Non-Promoter/Independent/ Non-Executive Directors	Manubhai J. Shah	4	Yes	Nil	Nil	Nil
	Rajendra K. Desai	4	Yes	2	Nil	Nil
	Nandish S. Vin	2	Yes	2	Nil	Nil

- **No. of Board Meetings held during the year along with the dates of the meetings :**

Four (4) Board Meetings were held during the financial year 2012-13 and the dates on which meetings were held are as follows : 28th May, 2012, 11th August, 2012, 31st October, 2012 and 5th February, 2013. Last Annual General Meeting of the Company was held on September 28, 2012.

3. Audit Committee :

Audit Committee consists of three Directors; out of them two are independent non-executive Directors and one is non-executive promoter Director. The Company Secretary acts as the Secretary of the Audit Committee. The Committee met on 28th May, 2012, 11th August, 2012, 31st October, 2012 and 5th February, 2013 during the year under review. The composition of Audit Committee and particulars of the meetings attended by the members of the Audit Committee are as follows:

Name of Directors	Position	No. of Meetings Attended
Rajendra K. Desai	Chairman	4
Jayantilal R. Shah	Member	4
Manubhai J. Shah	Member	4

Terms of reference of the Audit Committee are broadly as under :

- ◆ Reviewing with management the annual financial statements before submission to the Board
 - To review any changes in accounting policies and practices.
 - To review major accounting entries based on exercise of judgment by management.
 - Qualification(s) in draft Audit Report.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Overseeing the company's financial reporting process and the disclosure of financial information.
 - Reviewing the financial statements to ensure that it is correct, sufficient and credible.
- ◆ Reviewing with the management, external and internal auditors, adequacy of internal control and audit functions.
- ◆ Reviewing the company's financial and risk management policies.
- ◆ To look into the reasons for material defaults, if any, in the payments to shareholders and creditors.

4. Remuneration to Directors :

The broad terms of reference of the Remuneration Committee are as under :

- ◆ To approve the remuneration package of executive directors from time to time in compliance with the various applicable provisions read with Schedule XIII of the Companies Act, 1956.
- ◆ Such other matters as the Board may from time to time request the Remuneration Committee to examine, recommend and approve.

The committee consists of three Independent Non-executive Directors. The Company Secretary acts as the Secretary of the Remuneration Committee. Composition of the Remuneration committee is as under :

Name of Directors	Position
Manubhai J. Shah	Chairman
Rajendra K. Desai	Member
Nandish S. Vin	Member

The company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending the Board meeting and Committee meeting. No sitting fees are paid to Executive Directors. The remuneration policy of the company is directed towards rewarding performance. The Company has no stock option scheme. Further no commission is paid to any of the Directors.

Total remuneration paid to Managing Director and Whole-time Director of the company during the year ended on 31st March, 2013 is Rs. 60.28 lacs including sitting fees paid to non-executive Directors.

Shareholding of non-executive Directors :

Name of non-executive Director	No. of Shares held	% Shareholding
Jayantilal R. Shah	131887	3.603
Rajendra K. Desai	1200	0.033
Manubhai J. Shah	NIL	NIL
Nandish S. Vin	NIL	NIL

5. Shareholders'/Investors' Grievance Committee :

The Shareholders'/Investors' Grievance Committee consists of three Directors viz. Jayantilal R. Shah, Dhirajlal R. Shah and Arvind R. Shah. The Committee is headed by the Chairman and non-executive Director Shri Jayantilal R. Shah. The Committee meets at frequent intervals to consider and approve share transfers/share transmissions and for redressing other grievances of the investors. The minutes of the committee meeting are placed at the Board Meeting from time to time. Ms. Prachi Shukla, Company Secretary of the company is the Compliance Officer. All Investors' complaints like non-receipt of Annual Report, change of address, non-receipt of dividend, revaluation of dividend warrant etc. are attended by Compliance Officer and monitored by the Committee. All requests/complaints were attended promptly and resolved to the satisfaction of the shareholders.

6. General Body Meeting :

Location and time for last three Annual general Meetings (AGM) were as follows :

Financial Year	Date	Location of the Meeting	Time
2009-10	30.09.2010	3 rd Floor, Dawer Chambers, Nr. Sub-Jail, Ring Road, Surat	11.00 A.M.
2010-11	30.09.2011	----Do----	11.00 A.M.
2011-12	28.09.2012	----Do----	11.00 A.M.

Special Resolution(s) passed in previous three AGMs :

2 (Two) special resolutions had been passed in AGM for the financial year 2009-10 held on 30.09.2010 as per following details :

- (1) For re-appointment of Shri Dhirajlal R. Shah as Managing Director of the company w.e.f. 01.10.2010 to 30.09.2013 upon the terms and conditions and remuneration as set out in the agreement and
- (2) For re-appointment of Shri Arvind R. Shah as Whole-time Director of the company w.e.f. 01.10.2010 to 30.09.2013 upon the terms and conditions and remuneration as set out in the agreement.

No Special Resolution has been passed at the AGM for financial year 2010-11 and 2011-12.

No Special Resolution has been passed through postal ballot during last financial year.

None of the business required to be transacted at this AGM is proposed to be passed by postal ballot.

The Company proposes to change object clause of Memorandum of Association of Company for which the Company proposes to approach its members for their consent by way of Special Resolution through postal ballot in due course.

7. Disclosures :

- a. During the year, transactions with the related parties have been carried out in accordance with terms approved by Central Govt. under Section 297 of the Companies Act, 1956. Transactions with related parties are carried out at arm's length price and are not prejudicial to the interest of the company. Transactions with related parties during the year under review are disclosed in Note No. 27 to financial statements as required by Accounting Standard 18 issued by Institute of Chartered Accountants of India.
- b. There were no instances of non-compliance on any matters related to the capital markets during last three years.
- c. A qualified Practising Company Secretary carried out a reconciliation of share capital audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital of the company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. Means of Communication :

The Quarterly, Half-yearly and Annual results of the company are published in leading newspapers which includes The Economic Times, Navbharat Times and Gujarat Mitra/Gujarat Samachar/Gujarat Guardian and the same is also displayed on the Company's website: www.shahlon.com. The Management's Discussion and Analysis is a part of the Company's Annual Report.

9. General Shareholder Information :**Annual General Meeting :**

Date and Time : 30th September, 2013, 11:00 A.M.

Venue : 3rd Floor Dawer Chamber, Nr. Sub-Jail, Ring Road, Surat - 395 002

Financial Calendar :

The Company follows April - March as its financial year. The results for every quarter beginning from April are declared within 45 days from the end of the quarter except for the last quarter, for which the audited results are declared within 60 days from the end of the financial year as permitted under the listing agreement.

Date of Book Closure :

September 17, 2013 to September 30, 2013 (both days inclusive)

Dividend payment Date :

On or after September 30, 2013

Listing on stock exchange :

Company's equity shares are listed on Bombay Stock Exchange Limited.

Listing Fees and Custodian Fees :

The company has paid listing fees for the year 2013-14 to the Bombay Stock Exchange Limited. The company has paid custodial fees for the year 2013-14 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them as on March 31, 2013.

Stock Code :

Bombay Stock Exchange Limited, Mumbai (BSE) : Scrip Code- 514474

Demat ISIN Numbers in NSDL & CDSL : INE719D01011

Market Price Data :

High, low during each month and trading volumes of the company's equity shares during the last financial year at the Bombay Stock Exchange Limited (BSE) are given below:

Month	High	Low	No. of shares traded during the month
April'2012	15.50	14.05	8007
May'2012	16.19	13.60	7051
June'2012	16.65	15.50	5747
July'2012	17.30	15.55	6556
August'2012	17.00	15.80	14710
September'2012	17.45	14.55	7962
October'2012	16.65	14.70	16736
November'2012	17.50	15.75	26130
December'2012	17.50	15.55	15471
January'2013	18.00	15.35	17976
February'2013	16.90	14.90	13583
March'2013	18.00	14.25	5655

Registrar and Share Transfer Agent :
MCS Limited

Neelam Apartment, 88, Sampatrao Colony,

Alkapuri, Vadodara- 390 007

Tel No. : 0265 - 2339397 / 2314757

Fax No. : 0265 - 2341639

Email: mcsltdbaroda@yahoo.com

Share Transfer System :

Share transfer in physical form can be lodged with RTA of the company at the above mentioned address or with the company at the Registered Office. Applications for transfer of shares held in physical form which are received at the Registered Office are forwarded to the Registrar and Share Transfer Agent at above mentioned address. All transfers/transmissions and demat requests are normally processed within 15 days from the date of receipt, if the documents are in order.

Pursuant to Clause 47(c) of the Listing Agreement with stock exchanges, Certificate on half yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the company. Further, a certificate has also been received from a Company Secretary in Practice for timely dematerialization of the shares of the company and for conducting reconciliation of share capital audit on a quarterly basis.

Categories of Shareholders as on March 31, 2013 :

Category of Members	Number of shares	% of total shares
Indian Promoters	1702304	46.51
Shareholders holding nominal share capital upto Rs. 1 lakh	1034238	28.26
Shareholders holding nominal share capital in excess of Rs. 1 lakh	772458	21.10
Private Bodies Corporate	151040	4.13
TOTAL	3660040	100.00

Distribution of shareholding as on March 31, 2013 :

Shareholding of Nominal value of Rs.	Shareholders		Shareholding	
	Number of Shareholders	%	Number of Shares	%
Up to 5000	3442	90.89	499789	13.66
5001 - 10000	146	3.86	117543	3.21
10001 - 20000	72	1.90	111480	3.05
20001 - 30000	38	1.00	98243	2.68
30001 - 40000	19	0.50	64560	1.76
40001 - 50000	14	0.37	65440	1.79
50001 - 100000	22	0.58	168484	4.60
100001 & above	34	0.90	2534501	69.25
Total	3787	100.00	3660040	100.00

Dematerialization of shares :

82.17 % of company's paid-up equity share capital i.e. 3007303 shares have been dematerialized upto 31.03.2013. Trading in Equity shares of the company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI).

Outstanding GDR / ADR / Warrants or any convertible instruments :

The company has not issued any GDR/ADR/Warrants or any convertible instruments till date.

Plant Locations :

Mota Borasara, Kim,
Tal.: Mangrol, Dist.: Surat.

Limodara Patia, Karanj,
Tal.: Mandvi, Dist.: Surat.

Address for investor correspondence :

For dematerialization of shares, share transfers, share transmissions, change of address, non-receipt of dividend / annual report or any other query relating to shares may be addressed to :

MCS Limited

Neelam Apartment,
88, Sampatrao Colony,
Alkapuri, Vadodara-390 007.
Tel No. : (0265) 2339397 / 2314757
Fax No. : (0265) 2341639
E-mail : mcsLtdbaroda@yahoo.com

Secretarial Department

Fairdeal Filaments Limited
3rd Floor, Dawer Chambers,
Nr. Sub-Jail, Ring Road, Surat-395 002.
Phone No. : (0261) 3090200, 2635541-42
Fax No. : (0261) 2635550
E-mail : companysecretary@cs.shahlon.com

Management Discussion and Analysis

Industry structure and developments :

The textile industry was the pioneer of industrialization in India. The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Indian Textile Industry largely depends on textile manufacturing and export. India earns about 27% of its total foreign exchange through textile exports. Further, it contributes about 14 percent to industrial production, 4 percent to the country's GDP. The textile sector is the second largest provider of employment after agriculture. Indian Textile Industry generates employment for more than 35 million people. Thus, the growth and all round development of this industry has a direct bearing on the improvement of economy of the nation.

In recent past an attempt has been made to effect the correction in the anomalous duty structure by providing level playing field to all segments of the industry. The rationalization of the fiscal duty structure would strengthen the organized sector particularly the composite sector which has intrinsic strength in terms of economies of scale, higher productivity, superior technology, integrated working and skilled workforce and has the capability to produce the superior quality goods. In the competitive global scenario the resurrection of composite sector is of utmost importance if India has to emerge as a major player in the global textile market. Concentrated, coordinated and focused approach for integration and modernization is the need of the hour.

The sharp increase in production of polyester fibre and yarn has made India emerge as the 5th largest producer of man-made fibre/filament yarn in the world. The Man-made Fibre Textile industry in India is vibrant and growing. It boasts of nearly self sufficient raw material production base and produces a wide range of textiles. India has emerged as one of the world's leading manufacturer of man-made textiles, capable of supplying a wide range of textiles to the domestic and global markets. The fibres and filament yarns produced in India are comparable to the best in the world. Large investments have also been made in the spinning sector, which has led to the production of superior quality spun yarn. The modernization of fabric production is also petering down to the weaving and processing sectors and this in turn has resulted in international quality fabrics.

Opportunities, threats and outlook :

Limited availability and higher prices of the synthetic fibres and filament in the domestic market are primarily due to lack of competition or oligopolistic market structure of the product in the country. There is an immense scope for price reduction and raising supply of man made fibres/filament yarn through enhancing competition and curbing monopolistic practices by allowing more firms to produce these products or directly involve in production related activities or curbing the share of single unit etc. Therefore, the government can take some measures for expansion of domestic capacity for production of man-made fibres.

In a world that is fast losing its traditional boundaries and borders are becoming invisible, there is need to bring about technological improvements, structural changes, liberalization from controls and regulations, increased productivities of labour and machine and reliable quality assurance systems. If there is insecurity inherent in the global economy, there is also opportunity—opening up vast markets to Indian textiles and Indian clothing that were earlier closed or regulated and Indian textile industry is ready to take up this opportunity of free trade and secure its well deserved position in the international textile arena.

Polyester consumption is growing faster than that of any other fibre. There are large pockets of population that have low consumption like the Indian sub-continent and Africa. While the global per capita demand for all fibres stands at 11 kgs., with China at 16 kgs. and USA at 38 kgs., India is still less than 5 kgs. and Africa is at less than 4 kgs. These regions contribute to nearly half of the world population and are witnessing increase in disposable income with overall economic prosperity. Historically it is seen that rising per capita income and industrialization has increased textile consumption for both apparel and non-apparel application. Due to inherent constraints in the growth of cotton, polyester is likely to capture the maximum share of future growth.

We are self dependent on account of PTA/ MEG, Paraxylene requirement for polyester production while as China has to remain dependent for import of this material around 40% of total consumption.

Competition from other developing countries, especially China having large economies of scale of production is growing by leaps and bounds. Continuous Quality Improvement with shift in the modern technology is need of the hour as there are different demand patterns all over the world.

Risk and concerns :

Fairdeal is engaged in manufacture of texturised, twisted and sized yarn and weaving on water-jet looms. The basic raw material for manufacturing company's product is POY, FDY, PFY etc. The company procures basic raw material from big Spinners who controls the downstream textile industry.

Recently, big spinners in the country are ramping up their manufacturing capacities to tap the huge export opportunities offered by quota free world. The increase in capacity of spinners will provide better opportunity for procuring basic raw materials at competitive prices. Reliance Industries Ltd. is the lowest cost producer of polyester textiles in the world.

Internal Control System and their adequacy :

Your company is conscious about the need to line up modern management practices. The company has successfully running RAMCO ERP software. The company has an internal control system commensurate with its size and nature of its business which covers areas such as optimum utilization of resources, accurate and prompt recording of transactions, safeguarding of assets, adherence to applicable accounting standards and policies, review of IT and other systems, compliance with prevalent statutes, management policies and procedures.

Financial Performance :

Your Company has achieved turnover of Rs. 15754.33 lacs during the year under review as compared to Rs. 14624.26 lacs for the previous year, thereby registering growth of 7.72% over the previous year.

Earnings before Interest, Depreciation and Tax(EBIDTA), during the year under review is Rs. 843.63 lacs as compared to Rs. 862.04 lacs for the previous year. Profit before tax for the financial year under review has accelerated by 21.37% to Rs. 160.98 during the year under review from Rs. 132.64 lacs for the previous year. Your Company has achieved Net Profit after tax of Rs. 82.00 lacs, an increase by 52.39% from Rs. 53.81 lacs during the previous year.

Human Resource Development/Industrial Relations :

Fairdeal considers its employees as the most valuable assets of the company. Fairdeal focuses on attracting talent, retaining talent and developing talent for enhancing business performance. Industrial relations have continued to be cordial at all levels of the organization during the year under review.

Forward Looking Statement – Cautionary Statement :

Certain statement made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations etc. are "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results may differ from those expressed or implied, depending upon economic conditions affecting demand/supply and price levels in the market, Government policies and other incidental or related factors.

Auditors' Certificate on Compliance of Corporate Governance

To,
The Members of
Fairdeal Filaments Limited,
Surat.

We have examined the compliance of conditions of Corporate Governance by FAIRDEAL FILAMENTS LIMITED ("The Company") for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have conducted our review on the basis of the relevant records and documents furnished to us for the review and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the said Listing Agreement.

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

For and on behalf of,
NATVARLAL VEPARI & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 123626W

Place : Surat
Date : 29th May, 2013

R. N. Vepari
Partner
Membership No. : 006728

AUDITORS' REPORT

To,
The Members of
FAIRDEAL FILAMENTS LIMITED,
Surat.

Report on the Financial Statements

We have audited the accompanying financial statements of Fairdeal Filaments Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date;
- b) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and Reporting on Financial Statements

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

R. N. Vepari

Partner

Membership No. : 006728

Place : Surat

Date : 29th May, 2013

ANNEXURE TO THE AUDITOR'S REPORT

(Statement referred to in Paragraph 3 of the Auditors' Report of even date to the Members of Fairdeal Filaments Ltd. on the Accounts for the year ended 31st March, 2013)

- i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are informed that the physical verification of the fixed assets has been carried out by the management at reasonable intervals and no material discrepancies were noticed on such physical verification;
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year that would affect the going concern status of the Company.
- ii) (a) The inventories have been physically verified by the management during the year. 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 explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii) As per the information and explanations given to us and the records produced to us for our verification, The Company has not taken or granted secured or unsecured loan from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) (e), (f) and (g) of the Order, are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to the purchases of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not come across any major weaknesses in the internal control system of the Company.
- v) (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times.
- vi) The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA of the Companies Act, 1956 and the Rules framed there-under. Therefore, the provisions of Clause 4(vi) of the Order are not applicable.
- vii) On the basis of the internal audit report broadly reviewed by us, we are of the opinion that, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
- ix) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, VAT, Wealth-Tax, Service-Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us, no disputed amounts payable, in respect of income tax, sales tax, custom duty, excise duty and cess, were in arrears, as at 31st March 2013 for a period for more than six months from the date they become payable.

- x) The Company does not have any accumulated losses at the end of the financial year 31st March, 2013. Further, the Company has not incurred cash losses during the financial year ended 31st March, 2013 and in the immediately preceding financial year.
- xi) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not issued debentures during the year.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4(xii) of the Order is not applicable.
- xiii) According to the information and explanations given by the management, no guarantee has been given by the Company during the year.
- xiv) In our opinion and according to the information and explanations given to us, no additional term loans availed by the Company during the year.
- xv) As per the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds relating to long term basis to short term basis and as explained they have been deployed to fund core working capital.
- xvi) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- xvii) The Company has not raised any money by public issues during the year.
- xviii) The Company did not have any outstanding debentures during the year.
- xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xx) Considering the nature of activities being carried out, by the company and also the nature of the matters referred to in the various clauses of the Companies (Auditors' Report) Order, 2003, Clause (xiii) and (xiv) of paragraph 4 of the aforesaid order is not applicable to the Company.

For, NATVARLAL VEPARI & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 123626W

R. N. Vepari
Partner

Membership No. : 006728

Place : Surat

Date : 29th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	Note	As at 31-Mar-13		As at 31-Mar-12	
(₹ in Lacs)					
EQUITY AND LIABILITIES					
1 Shareholders' Funds					
a. Share Capital	1	366.00		366.00	
b. Reserves & Surplus	2	<u>769.13</u>	1135.14	<u>756.98</u>	1122.99
2 Non - Current Liabilities					
a. Long Term Borrowing	3	1,488.26		1,414.26	
b. Deferred Tax Liability (Net)	4	<u>122.39</u>	1610.65	<u>116.82</u>	1531.08
3 Current Liabilities					
a. Short Term Borrowing	5	2,458.07		2,410.80	
b. Trade Payables	6	231.67		323.42	
c. Other Current Liabilities	7	634.08		360.70	
d. Short Term Provisions	8	<u>353.49</u>	<u>3677.32</u>	312.37	<u>3407.29</u>
TOTAL			<u><u>6423.11</u></u>		<u><u>6061.36</u></u>

ASSETS
4 Non Current Assets

Fixed Assets	9				
a. Tangible Asset		1,577.42		1,641.98	
b. Capital Work in Progress		-		1.83	
Non Current Investments (Trade)	10	208.45		93.30	
Long Term Loan and advances	11	<u>172.49</u>	1958.35	<u>153.36</u>	1890.47

5 Current Assets

a. Inventories	12	731.52		841.07	
b. Trade Receivables	13	3,305.08		2,792.61	
c. Cash and Bank Balance	14	31.96		32.03	
e. Short Term Loans and Advances	15	<u>396.20</u>	4464.76	505.18	4170.89
TOTAL			<u><u>6423.11</u></u>		<u><u>6061.36</u></u>

Significant Accounting Policies
Notes to Financial Statement

1 to 31

For, NATVARLAL VEPARI & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 123626W

For and on behalf of the Board,

R. N. Vepari
Partner

Prachi V. Shukla
Company Secretary

D. R. Shah
Managing Director

A. R. Shah
Whole-time Director

Membership No. : 6728
SURAT, Date : 29.05.2013

SURAT, Date : 29.05.2013

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	Note	As at 31-Mar-13	As at 31-Mar-12
			(₹ in Lacs)
INCOME :			
Revenue from Operations	16	15,746.29	14,622.58
Other Revenues	17	8.04	1.68
Total Revenue		<u>15,754.33</u>	<u>14,624.26</u>
EXPENDITURE :			
Cost of Material Consumed	18	5,269.67	5595.81
Purchases of Stock in Trade		7,925.32	6884.36
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	19	123.69	(185.92)
Employee Benefits Expense	20	490.85	369.69
Finance Costs	21	437.13	513.80
Depreciation and Amortisation Expense	22	245.52	215.60
Other Expenses	23	1,101.16	1098.27
Total Expenses		<u>15,593.35</u>	<u>14,491.61</u>
Profit before exceptional and extraordinary items and tax		160.98	132.64
Tax Expense :			
a. Current tax		56.61	63.94
b. Deferred Tax		5.57	14.57
		62.18	78.51
Profit after tax adjustment		98.80	54.13
Excess/(Short) provision for taxation in earlier year		(16.80)	(0.32)
Profit after Tax		82.00	53.81
Profit for the Period		82.00	53.81
Earning per Equity Share :			
1. Basic		2.24	1.47
2. Diluted		2.24	1.47
Significant Accounting Policies			
Notes to Financial Statement	1 to 31		

For, NATVARLAL VEPARI & CO.
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 123626W

For and on behalf of the Board,

R. N. Vepari
 Partner

Prachi V. Shukla
 Company Secretary

D. R. Shah
 Managing Director

A. R. Shah
 Whole-time Director

Membership No. : 6728
 SURAT, Date : 29.05.2013

SURAT, Date : 29.05.2013

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS	2012-2013	2011-2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		(₹ in Lacs)
Net profit before Tax and Extraordinary Items	160.99	132.64
Adjusted For :		
Depreciation	245.52	215.60
Interest Paid	437.13	513.80
Extra ordinary item (loss on sale of assets/ earlier year taxes)	48.16	(1.19)
Operating Profit before Working Capital Charges	891.80	860.85
Adjusted For :		
Trade and other receivable	(403.49)	(232.29)
Inventories	109.54	205.78
Trade & Other Payables	223.38	184.71
Cash Generated From Operations	821.23	1,019.06
Interest Paid	(377.00)	(454.94)
Cash flow before Extraordinary items	444.23	564.12
Current tax	(56.61)	(63.94)
Net Cash from operating Activities	387.62	500.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(203.88)	(204.59)
Sales of Fixed Assets	(56.90)	-
(Purchase)/Sale of Investments	(115.15)	1.20
Movement in Loans & Advances	(19.13)	(20.39)
Net Cash used in Investing Activities	(395.05)	(223.78)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan repayment	(268.42)	(185.75)
Repayments of Finance / Lease / Liabilities (Net)	-	-
Other Loan	341.80	(117.55)
Short Term Borrowings (Net)	47.27	141.48
Interest Paid on Term Loan	(60.13)	(58.86)
Dividend paid (Including Dividend Tax)	(53.17)	(53.17)
Net Cash used in Financial Activities	7.36	(273.86)
NET INCREASE IN CASH & CASH EQUIVALENTS (A) + (B) + (C)	(0.07)	2.54
Opening Cash and Cash Equivalents	32.03	29.49
Closing Cash and Cash Equivalents	31.96	32.03

As per our attached report of even date

For and on behalf of the Board,

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

R. N. Vepari

Partner

Prachi V. Shukla

Company Secretary

D. R. Shah

Managing Director

A. R. Shah

Whole-time Director

Membership No. : 6728

SURAT, Date : 29.05.2013

SURAT, Date : 29.05.2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12
1 SHARE CAPITAL		(₹ in Lacs)
AUTHORISED :		
55,00,000 (55,00,000) Equity Share of Rs. 10/- each	<u>550.00</u>	<u>550.00</u>
ISSUED, SUBSCRIBED & PAID UP :		
3660040 (Previous year 3660040) Equity Shares of Rs. 10/- each fully paid up	<u>366.00</u>	<u>366.00</u>
1.1 The reconciliation of the number of shares outstanding is set out below:		
Equity Shares outstanding at the beginning of the year	36.60	36.60
Equity Shares Issued during the year	-	-
Equity Shares bought back during the year	-	-
Any other movement (please specify)	-	-
Equity Shares outstanding at the end of the year	<u>36.60</u>	<u>36.60</u>
1.2 The details of Shareholders holding more than 5% shares	<u>No. of Shares</u> % held	<u>No. of Shares</u> % held
Name of the Shareholders		
Mahesh Khetshi Gosrani	384000 10.49	384000 10.49
Arvind Raichand Shah	223632 6.11	223632 6.11
Sanket Finance & Leasing Pvt. Ltd.	216000 5.90	216000 5.90
2 RESERVES AND SURPLUS		
Capital Reserve		
As per Last Balance Sheet	69.97	69.97
Security Premium Reserve		
As per Last Balance Sheet	108.27	108.27
Profit & Loss Account		
As per Last Balance Sheet	377.74	378.45
Add : Profit for the year	<u>82.01</u>	<u>53.81</u>
	459.74	432.26
Less : Appropriations		
Transferred to General Reserve	2.10	1.35
Proposed Dividend on Equity Shares	45.75	45.75
Tax on Dividend	<u>7.42</u>	<u>7.42</u>
	<u>55.27</u>	<u>54.52</u>
	404.47	377.74
Revaluation Reserve		
As Per Last Balance Sheet	182.51	205.62
Less : Transferred to Profit and Loss Account	<u>16.68</u>	<u>23.11</u>
	165.83	182.51
General Reserve		
As Per Last Balance Sheet	18.50	17.15
Add : Transferred from Profit & Loss Account	<u>2.10</u>	<u>1.35</u>
	20.60	18.50
TOTAL	<u>769.13</u>	<u>756.98</u>

PARTICULARS	As at 31-Mar-13		As at 31-Mar-12	
	Non Current	Current*	Non Current	Current*
3 LONG TERM BORROWING				
Secured				
a. Term Loan				
Bank of Baroda (Refer Note no. 3.1.a)	246.08	140.60	377.32	140.60
BMW India Financial Services Pvt. Ltd. (Refer Note no. 3.1.b)	-	10.61	8.80	11.23
Bank of Baroda - Vehicle Loan (Refer Note no. 3.1.c)	2.92	1.20	3.96	1.20
b. Corporate Loan				
From Bank of Baroda (Refer Note no. 3.1.a)	42.81	168.00	169.53	168.00
	<u>291.81</u>	<u>320.41</u>	<u>559.61</u>	<u>321.03</u>
Unsecured				
a. Inter Corporate Deposit from Company	1,162.45	-	820.65	-
b. LIC of India	34.00	-	34.00	-
	<u>1,196.45</u>	<u>-</u>	<u>854.65</u>	<u>-</u>
TOTAL	<u>1,488.26</u>	<u>320.41</u>	<u>1,414.26</u>	<u>321.03</u>

3.1 Security details for secured loan

- Secured by hypothecation of raw materials, stock-in-process, finished goods, book-debts, plant and machinery and equitable mortgage of factory, land and building situated at Village : Karanj, Taluka : Mandvi, Dist.: Surat and Village : Mota Borasara, Taluka : Mangrol, Dist.:Surat. Facility is further secured by equitable mortgage of office premises third floor, Dawer Chambers, Ring Road, Surat and Hypothecation of Windmill situated at Village : Suthari, Taluka : Abdasa, Dist.: Kutch
- Secured against hypothecation of Car
- Secured against hypothecation of vehicle

* Refer Note 7 for Current maturities of Long-term debt

4 DEFERRED TAX LIABILITY (NET)

Deferred Tax Asset

a. Unabsorbed Depreciation	-	-	-	-
b. Disallowance under Income Tax	-	-	-	-
c. Provision for Bonus	1.24	-	1.05	-
d. Provision for Leave	1.22	2.45	1.11	2.17
	<u>1.22</u>	<u>2.45</u>	<u>1.11</u>	<u>2.17</u>

Deferred Tax Liability

a. Block of Assets	-	124.85	-	118.99
TOTAL	<u>-</u>	<u>122.39</u>	<u>-</u>	<u>116.82</u>

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12
(₹ in Lacs)		
5 SHORT TERM BORROWING		
Secured		
a. Working Capital Loans From Banks		
Rupee Loan (Refer Note no. 5.1)	2,161.09	1,917.05
Export Finance - PCFC & FBD (Refer Note no. 5.1)	<u>-</u>	<u>197.78</u>
	2,161.09	2,114.83
Unsecured		
b. Short Term Loan from ICICI Bank Ltd. (Under Channel Financing)	296.98	295.98
TOTAL	<u><u>2,458.07</u></u>	<u><u>2,410.80</u></u>

5.1 Security details for secured loan

Secured by hypothecation of raw materials, stock-in-process, finished goods, book-debts, plant and machinery and equitable mortgage of factory, land and building situated at Village : Karanj, Taluka : Mandvi, Dist.: Surat and Village : Mota Borasara, Taluka : Mangrol, Dist.:Surat. Facility is further secured by equitable mortgage of office premises third floor, Dawer Chambers, Ring Road, Surat and Hypothecation of Windmill situated at Village : Suthari, Taluka : Abdasa, Dist.: Kutch

6 TRADE PAYABLES

a. For goods & other purchases	174.59	254.97
b. For expenses	57.09	68.45
TOTAL	<u><u>231.67</u></u>	<u><u>323.42</u></u>

7 OTHER CURRENT LIABILITIES

Current Maturities of long term debts (Refer Note 3)	320.41	321.03
Unclaimed Dividend	13.16	12.96
Other Payables	300.52	26.71
TOTAL	<u><u>634.08</u></u>	<u><u>360.70</u></u>

8 SHORT TERM PROVISIONS

Provision for Taxation	204.26	177.09
Provision for Expenses	88.12	75.58
Proposed dividend	45.75	45.75
Tax on Dividend	7.42	7.42
Provision for earned Leave	3.93	3.35
Provision for earned Bonus	4.00	3.17
TOTAL	<u><u>353.49</u></u>	<u><u>312.37</u></u>

DEPRECIATION CHART FOR THE YEAR ENDED 31.03.2013
Note - "9"
(₹ in Lacs)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		AS ON 01.4.2012	ADDITION	ADJUSTMENT	AS ON 31.3.2013	AS ON 31.3.2012	FOR THE YEAR	ADJUSTMENT	TOTAL 31.3.2013	AS ON 31.3.2013	AS ON 31.3.2012
1	LAND	143.13	-	-	143.13	-	-	-	-	143.13	143.13
2	FACTORY BUILDING	398.17	25.33	-	423.50	123.41	13.86	-	137.27	286.24	274.76
3	PLANT AND MACHINERY	1,308.96	118.62	72.65	1,354.93	807.73	120.79	66.42	862.11	492.82	501.23
4	OFFICE EQUIPMENT	35.28	3.33	-	38.61	17.74	1.81	-	19.55	19.07	17.54
5	COMPUTER	100.96	5.44	-	106.40	75.48	11.04	-	86.52	19.88	25.48
6	VEHICLES	98.08	-	5.69	92.39	46.14	9.09	5.69	49.54	42.85	51.94
7	FURNITURES & FIXTURE	32.64	0.31	-	32.95	25.04	1.11	-	26.15	6.79	7.60
8	BEAM PIPE	19.40	13.35	-	32.75	17.62	7.60	-	25.22	7.53	1.78
9	OFFICE BUILDING	15.03	-	-	15.03	4.03	0.24	-	4.27	10.76	11.00
10	ELECTRICAL INSTALLATION	2.01	-	-	2.01	1.08	0.10	-	1.18	0.83	0.93
11	PLANT & MACHINERY UNDER TUF	1,092.94	37.49	-	1,130.43	647.78	71.82	-	719.60	410.83	445.16
12	WINDMILL	372.68	-	-	372.68	211.24	24.75	-	235.99	136.69	161.44
	TOTAL	3,619.28	203.88	78.35	3,744.81	1,977.30	262.20	72.11	2,167.39	1,577.42	1,641.98
	Previous Year	3,237.79	381.50	-	3,619.28	1,738.59	238.71	-	1,977.30	1,641.98	1,499.20

9.1 : Depreciation on revalued portion of Fixed Asset calculated on written down method over balance useful life of asset, is transferred from revaluation reserve to the profit & loss amounting to Rs 16.68 lacs (P.Y - 23.11 Lacs)

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12
		(₹ in Lacs)
10 NON CURRENT INVESTMENTS		
"In Equity Shares of Associate Companies-Unquoted fully paid up (Valued at cost)"		
224000 (203000) Shares of Shahlon Industrial Infrastructure Pvt. Ltd.	22.40	20.30
880733 (730000) Share of Fairdeal Textiles Park Pvt.Ltd.	186.05	73.00
TOTAL	208.45	93.30
11 LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Keyman Insurance Premium	120.37	116.37
Utility Deposits	52.12	36.99
TOTAL	172.49	153.36
12 INVENTORIES		
Raw Materials	218.85	220.86
Stock in Process	113.36	130.23
Finished Goods	287.66	391.06
Traded Goods	28.92	32.34
Consumable stores, etc.	82.74	66.58
TOTAL	731.52	841.07
13 TRADE RECEIVABLES (Unsecured and Considered Good)		
Outstanding for more than six months	135.12	164.39
Other debts	3,169.96	2,628.22
TOTAL	3,305.08	2,792.61
14 CASH AND BANK BALANCE		
Cash and Cash Equivalents (Refer Note 14.1)	17.39	14.92
Other Bank Balances (Refer Note 14.2)	14.57	17.11
TOTAL	31.96	32.03
14.1 CASH AND BANK BALANCE		
Cash and Cash Equivalents		
Cash in hand	2.93	1.78
Balance with Banks # (Refer Note below)	14.46	13.14
TOTAL	17.39	14.92
# includes unclaimed dividend of Rs. 13.16 Lacs (Previous year 12.96)		
14.2 Other Bank Balances		
Fixed Deposits with Bank	14.57	17.11
TOTAL	14.57	17.11

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12
(₹ in Lacs)		
15 SHORT TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Balance with Revenue Authorities	87.79	163.55
Others (Refer Note 15.1)	308.41	282.03
Fairdeal Textiles Park Pvt.Ltd.(Share Application Money)	-	59.60
TOTAL	396.20	505.18
15.1 Includes interest receivable on Fixed deposit with Bank, TUFs Subsidy receivable, Advance to Sundry Creditors and prepaid expenses		
16 REVENUE FROM OPERATIONS		
Sales	15,966.94	14,809.66
Add : Job charges	172.16	190.00
Less : Excise Duty	42.75	39.59
Less : Value Added Tax	638.98	577.80
Net Sales	15,457.38	14,382.27
Commission Income Net	125.60	160.08
Duty Draw Back/ DFIC/DEPB License	48.73	54.04
Profit/(Loss) from Currency Swap/Option Contract	31.11	6.06
Profit /(Loss) on sale of assets / Investment	64.96	0.88
Other Operating Income	11.74	13.53
Sundry Balances written up	6.77	5.73
TOTAL	15,746.29	14,622.58
17 OTHER REVENUES		
Interest	8.04	1.68
TOTAL	8.04	1.68
18 CONSUMPTION OF RAW MATERIALS	% of Consumption	% of Consumption
Indigenous	100%	100%
TOTAL	100%	100%
	Rs. In Lacs	Rs. In Lacs
18.1 Opening Stock	220.86	621.89
Purchases Indigenous	5,267.66	5,194.78
	5,488.52	5,816.67
Less: Closing Stock	218.85	220.86
TOTAL	5,269.67	5,595.81
18.2 Particulars of Material Consumed		
Yarn	5,269.67	5,595.81

PARTICULARS	As at 31-Mar-13		As at 31-Mar-12	
(₹ in Lacs)				
19 CHANGES IN FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN- TRADE				
Opening Stock				
Finished Goods/Stock-in-Trade	423.40		253.49	
Stock-in-Process	<u>130.23</u>	553.63	<u>114.22</u>	367.71
Less :				
Closing Stock				
Finished Goods/Stock-in-Trade	316.58		423.40	
Stock-in-Process	<u>113.36</u>	<u>429.94</u>	<u>130.23</u>	<u>553.63</u>
TOTAL		<u><u>123.69</u></u>		<u><u>(185.92)</u></u>

20 PAYMENT AND BENEFITS TO EMPLOYEES				
Salary, Wages, Bonus & Benefits		464.00		346.05
Contribution to Provident fund & expenses		9.38		8.00
Group Gratuity Expenses		5.70		6.23
Staff Welfare Expenses		<u>11.77</u>		<u>9.41</u>
TOTAL		<u><u>490.85</u></u>		<u><u>369.69</u></u>

20.1 Gratuity :

The employee gratuity fund is managed by "Life Insurance Corporation of India". The Present value of obligation is determined based on actuarial valuation. The liability is fully funded.

a. Amounts recognized in Balance Sheet are as follows :

A. Present Value of Defined Benefit Obligation

- Wholly Funded	54.69	46.73
- Wholly Unfunded	<u>-</u>	<u>-</u>
	<u>54.69</u>	46.73

Less : Fair Value of Plan Assets

Amount to be recognized as Liability or (Assets)

B. Amount Reflected in Balance Sheet

- Liability	-	-
-------------	---	---

b. Amounts recognized in Profit & Loss Account :

1. Current Service Cost	5.34	5.94
2. Interest Cost	4.21	3.61
3. Expected Return on Plan Assets	4.21	3.61
4. Actuarial Losses/(Gains)	<u>(0.36)</u>	<u>(0.29)</u>
Total included in " Payments to and Provision for Employees"	<u>5.70</u>	6.23

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12
(₹ in Lacs)		
c. Changes in present value of defined benefit		
Opening Value of present value of defined benefit obligation	46.73	41.11
Add : Current service cost	5.34	5.94
Add : Interest Cost	4.21	3.61
Add : Contribution made	-	-
	<u>56.28</u>	<u>50.67</u>
Less : Benefits paid	1.59	3.94
Closing Value of present value of defined benefit obligation	<u>54.69</u>	<u>46.73</u>
d. Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages)		
Discount Rate (p.a.)	9.15%	8.00%
Expected Rate of Return on Assets (p.a.)	9.15%	9.15%
21 FINANCE COST		
Term Loan Interest	60.13	58.86
Interest to Others	11.20	13.05
Working Capital Interest	312.48	390.72
Bill Discount Charges	37.02	41.49
Bank Charges	16.30	9.68
TOTAL	<u><u>437.13</u></u>	<u><u>513.80</u></u>
22 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for the period	262.20	238.71
Less : Depreciation withdrawn from Revaluation Reserve	16.68	23.11
TOTAL	<u><u>245.52</u></u>	<u><u>215.60</u></u>
23 OTHER EXPENSES		
Manufacturing Expenses		
Job Charges	6.23	4.57
Leave & Licenses Agreement	0.01	1.69
Lising Charges	6.44	8.87
Power and Fuel	418.86	391.99
Consumption of stores (including Chemical and Packing Materials)	362.13	383.22
Repairs to Machinery	40.95	27.77
Water charges	-	19.04
Building Repairs	9.40	10.16
Factory Expenses	12.46	12.69
Wind Mill Expenses		
Lease Rent (Bhogat)	0.03	0.08
Insurance Exp.	0.37	0.35
Repairs & Maintenance Charges	9.71	8.44
Sundry Expenses	0.07	8.94
TOTAL	<u><u>866.65</u></u>	<u><u>868.93</u></u>

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12		
		(₹ in Lacs)		
Administrative & Other Expenses				
Insurance	5.23	3.02		
Printing and Stationary	4.56	3.79		
Postage & Telephone	9.76	9.95		
Electrical Expenses	5.82	4.93		
Tours Travelling & Conveyance	23.74	18.23		
Directors' Remuneration	60.19	60.19		
Director's Fees	0.09	0.07		
Legal and Professional Charges	24.99	17.63		
Audit Fees	3.37	3.37		
Sundry Expenses	5.62	4.54		
Computer Charge	5.01	4.41		
Donation	0.89	0.26		
Repairs & Maint. to Furniture & Office Equip.	1.88	1.91		
TOTAL	<u>151.16</u>	<u>132.28</u>		
Selling & Distribution Expenses				
Brokerage	56.34	59.32		
Advertisement and Sales Promotion	2.96	3.43		
Freight	20.25	29.14		
Bad debts	2.68	3.32		
Vehicle Repairs & Maintenance	1.13	1.85		
	<u>83.36</u>	<u>97.06</u>		
TOTAL	<u>1101.16</u>	<u>1098.27</u>		
23.1 Value of Consumables	Rs. In Lacs	% of Consumption	Rs. In Lacs	% of Consumption
Imported	23.76	6.56%	9.53	2.49%
Indigenous	338.38	93.44%	373.69	97.51%
TOTAL	<u>362.13</u>	<u>100.00%</u>	<u>383.22</u>	<u>100.00%</u>
23.2 Value of Imports on CIF basis in respect of				
Capital goods		76.95		21.41
23.3 Payment to Auditors as: (Excluding the amount of Service Tax)				
a. As an Auditor (including Tax Audit Fees)		3.00		3.00
b. Capacity in respect of :				
i. Company law matter		0.09		-
ii. Taxation matter		-		-
iii. Management Services		-		-
iv. In any other manner		0.34		0.23
v. Reimbursement of expenses		-		-

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12
		(₹ in Lacs)
23.4 Expenditure in foreign currency (On Payment basis):		
Foreign Travelling Expense	2.54	1.38
Commission Expense (On Export)	11.88	23.73
24 EARNING PER SHARE		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	82.00	53.81
ii) Weighted Average number of equity shares used as denominator for calculating EPS	36.60	36.60
iii) Basic Earning per share (Refer Note 26.1)	2.24	1.47
iv) Face Value per equity share	10.00	10.00
24.1 There is no diluted equity share of the company.		
25 EARNING IN FOREIGN CURRENCY		
FOB value of Exports	575.22	845.83
26 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND		
Remittances by the company in foreign currencies for dividends (including amount credited to Non-Resident External Accounts):		
a) No. of Non-resident shareholders	6	6
b) No. of Equity Shares of face value of Rs. 10 each held	124700	124700
c) i) Amount of Dividend Paid (Gross)	1.56	1.56
ii) Tax Deducted at Source	-	-
iii) Year to which dividend relates	2011-12	2010-11

27 8 (A) Related parties where common control exist and transactions entered into :

(₹ in Lacs)

Sr. No.	Name of the Related Party (Relationship)	Nature of Transactions	Amount involved	Balance as on 31.03.13	Amount involved	Balance as on 31.03.12
1	Shahlon Industries Pvt. Ltd. (Common Control of Key Managerial Personnel)	Sales	518.86	NIL	232.47	NIL
		Interest Income	4.60		1.41	
		Job Income	113.63		100.49	
		Commission Paid	-		2.40	
		Yarn Purchase	121.20		133.91	
		Water Charges			19.04	
		Job Charges	4.94		16.43	
2	Shahlon Silk Mills Pvt. Ltd. (Common Control of Key Managerial Personnel)	Sales (Yarn)	158.36	NIL	149.73	NIL
		Interest	2.02		1.92	
		Job Income	58.36		41.25	
		Commission Paid	0.00		5.98	
		Purchase	42.21		139.57	
		Job charges	11.92		28.35	
3	Fairdeal Textile Park Pvt. Ltd. (Associates)	Lease Rent	0.01	NIL	Nil	
		Investment	113.05			
		Share Application Money	-			59.50 Dr
4	Shahlon Industrial Infrastructure Pvt. Ltd. (Associates)	Power Expenses	36.84	NIL	174.46	NIL
5	Shri D. R. Shah (Key Managerial Personnel)	Remuneration	30.09	NIL	30.09	NIL
6	Shri A. R. Shah (Key Managerial Personnel)	Remuneration	30.09	NIL	30.09	NIL

PARTICULARS	As at 31-Mar-13	As at 31-Mar-12
(₹ in Lacs)		
28 CONTINGENT LIABILITIES AND COMMITMENTS		
I) Contingent Liabilities		
Guarantees		
a) Counter guarantees given to banks	2.27	3.50
b) Guarantee given to Bank of Baroda on behalf of Shahlon Industrial Infrastructure Pvt. Ltd. (Given on 10.05.2006)	-	31.76
c) Bank Guarantee provided to DGFT to secure texturising under EPCG Scheme	6.11	6.11
Others		
a) Custom Duty on Capital Goods or Raw Material Imported under Advance Licence/ EPCG Scheme, against which export obligation is to be fulfilled	25.70	2.89
b) Disputed Income Tax liability to the extent not recognised as debt	-	3.76
29 Sales/Purchase includes inter-divisional transfer is Nil (Previous Year - 53.99 Lacs)		
30 There are no dues (P.Y. - Rs Nil) from the companies or Firms where Directors are Directors/Partners.		
31 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.		
<hr/>		
For, NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Firm Reg. No. 123626W	For and on behalf of the Board,	
R. N. Vepari Partner	Prachi V. Shukla Company Secretary	D. R. Shah Managing Director
		A. R. Shah Whole-time Director
Membership No. : 6728 SURAT, Date : 29.05.2013	SURAT, Date : 29.05.2013	

Significant Accounting Policies

(a) Basis of preparation of financial statements :

- i) The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies (Accounting Standard) Rules, 2009 (as amended) and the relevant provisions of the Companies Act, 1956.
- ii) The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with Generally Accepted Accounting Principles except in case of assets for which provision for impairment is made and revaluation is carried out.
- iii) The Accounting policies are consistently applied by the Company.

(b) Fixed Assets :

Fixed Assets (except land) are carried at cost of acquisition or construction (net of CENVAT) less accumulated depreciation and impairment losses, if any. All costs including interest and financing cost till the assets put to use are capitalized to the extent they are measurable. Subsequent expenditure incurred on assets put to use is capitalized only where it increases future benefits/functioning capabilities from/of such assets.

(c) Depreciation :

- i) Depreciation on all assets is provided on Straight Line Method basis as stipulated in Schedule XIV to the Companies Act, 1956 on pro-rata basis while on the machineries of Karanj unit acquired on or after 01-04-2001 is provided on Written down value as stipulated under Schedule XIV to the Companies Act, 1956 on pro-rata basis.
- ii) Assets individually costing less than Rs. 5000/- are depreciated at 100% over a period of one year from the date of acquisition.
- iii) Depreciation on revalued portion of fixed assets is calculated on Written down method over balance useful life of assets and is transferred from Revaluation Reserve to the Profit and Loss Account.

(d) Impairment :

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

(e) Investments :

All investments are stated at cost of acquisition. No provision is made in respect of diminution in the value of investment, which is temporary in nature.

(f) Inventories :

Inventories are valued in accordance with the requirements of the Revised Accounting Standard 2(AS - 2) issued by the Institute of Chartered Accountants of India on valuation of inventories which are as under :

- i) Raw Material, Stock-in-process, Finished Goods and Stock-in-trade are valued at lower of cost or net realisable value.
- ii) Stores, chemicals, fuel and packing materials are valued at cost or Net Realisable Value whichever is lower.

(g) Borrowing Cost :

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset to the extent it is measurable are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(h) Revenue recognition :

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

i) Sale of Goods :

Sale is accounted when goods are supplied and recorded net of trade discount and rebates.

ii) Late Payment Charges / Discount :

Late payment charges / discounts are recognized on the ground of prudence as and when recovered.

(i) Foreign Currency Transactions :**i) The reporting currency of the company is Indian rupees.**

ii) Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gain and losses on settlement of foreign currency transactions are recognized in the Profit and Loss Account under the natural revenue heads of accounts.

iii) Foreign currency assets and liabilities at the year end are translated at the year end exchange rates, and the resultant exchange difference is recognized in the Profit and Loss Account.

iv) In case of forward contract, or other financial instruments that are in substance forward exchange contracts, the premium or discounts arising at the inception of the contract is amortize as expense or income over the life of the contract. Gains /(losses) on settlement of the transactions arising on cancellation/renewal of forward exchange contracts are recognized as income or expense.

(j) Retirement Benefits :

i) Short term Employee Benefits : All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary, exgratia are recognized in the period in which employee renders the related services.

ii) Post Employment Plans :

a) **Defined Contribution Plan :** Provident fund and pension scheme are the defined contribution plans in the company. The contribution paid /payable under these schemes is recognized during the period in which the employee renders the related services.

b) **Defined Benefit Plans :** Employee Gratuity fund scheme is the defined benefit plan. The Company makes annual contributions for gratuities to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary.

(k) Provisions, Contingent Liabilities and Contingent Assets :

i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

ii) Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts.

iii) Contingent Assets are neither recognized nor disclosed in the financial statement, Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(l) Taxation :

- i) Income-tax expense comprises current tax/MAT
- ii) In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India ('ICAI'), the Company provides for deferred tax at the year end. Deferred tax resulting from timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years are recognized at the current rate of tax, to the extent that the timing differences are expected to crystallise.
- iii) Deferred tax arising on account of unabsorbed depreciation and other provisions are recognized only when there is a virtual certainty supported by convincing evidence that such assets will be realized.

(m) Earning per share :

Basic Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For, NATVARLAL VEPARI & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 123626W

For and on behalf of the Board,

R. N. Vepari
Partner

Prachi V. Shukla
Company Secretary

D. R. Shah
Managing Director

A. R. Shah
Whole-time Director

Membership No. : 6728
SURAT, Date : 29.05.2013

SURAT, Date : 29.05.2013

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholder(s),

- Sub. :** (i) Green Initiative in Corporate Governance : Register your E-mail Address
(ii) ECS Registration/Updation

Every ton of printing papers costs us 24 trees. Realizing this truth and for maintaining the planet “Earth” evergreen, the Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies through electronic mode.

According to Circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various documents/notices including Annual Report comprising the notice calling Annual General Meeting, Audited Financial Statements, Directors’ Report, Auditors’ Report etc. to their shareholders in electronic mode, to the registered e-mail addresses of the shareholders.

This is a golden opportunity for every shareholder of FAIRDEAL FILAMENTS LIMITED (the Company) to contribute to the Corporate Social Responsibility Initiative of the Company. We are sure that as a responsible soul, you will too participate in actualizing this initiative. By registering yourself with the Company for e-communication, you will be able to receive such Notices, Documents etc. promptly and without any loss in postal transit.

Kindly follow following steps in order to register your E-mail address with the Company –

- 1. If you are holding shares in dematerialized form :** Register your e-mail address with your Depository Participant.
- 2. If you are holding shares in physical form :** Kindly fill-in the details in **“Online Email Registration Form”** available under the tab **“Investor Relation”** on website of our company at **“www.shahlon.com”**.

Kindly note that if you still wish to receive a hard copy/physical copy of all the communications, the Company undertakes to provide the same at no extra cost to you. In case you desire to receive the above mentioned documents in physical form, you are requested to send an e-mail to **companysecretary@cs.shahlon.com** or send a letter at Registered Office address of the Company as mentioned above.

(i) ADVANTAGES OF ELECTRONIC CLEARING REGISTRATION :

- Avoid loss of document in postal transit, whereby issue of duplicate warrants is avoided.
- Investor need not make frequent visits to his bank for depositing physical paper instruments.
- Prompt credit to the bank account of the investor through electronic clearing
- Electronic credit intimations will be sent to investors separately.

If you wish to avail ECS facility for receipt of dividend of the Company electronically :

For shares held in Dematerialized Form	Please intimate/update your bank details to your Depository Participant.
For shares held in Physical Form	Please send duly filled up and signed form (enclosed herewith) at Registered Office of the Company as mentioned above.

Along the lines of “Green Initiative” promoted by MCA, we recommend all our shareholders to hold equity shares of our Company in Dematerialized form. Following are the benefits of holding your shares in Dematerialized Form:

(ii) BENEFITS OF OPENING DEMAT ACCOUNT :

- A safe and convenient way to hold securities.
- Immediate transfer of securities.
- No stamp duty on transfer of securities.
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc.
- Reduction in paperwork involved in transfer of securities.
- Reduction in transaction cost.
- No odd lot problem, even one share can be traded.
- Nomination facility.
- Change in address recorded with DP gets registered with all companies in which investor holds securities electronically eliminating the need to correspond with each of them separately.
- Transmission of securities is done by DP eliminating correspondence with companies.
- Automatic credit into demat account of shares, arising out of bonus/split/consolidation/merger etc.
- Holding investments in equity and debt instruments in a single account.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute to a greener environment. We seek your whole hearted support for this initiative. Let's be a cause for a "Greener Globe".

Thanking You.

For Fairdeal Filaments Limited

Sd/-

Prachi Shukla

Company Secretary

**ELECTRONIC CLEARING SERVICES (ECS)
MANDATE FORM**

To,
COMPANY SECRETARY
FAIRDEAL FILAMENTS LIMITED
3RD FLOOR, DAWER CHAMBERS,
NEAR SUB-JAIL, RING ROAD,
SURAT – 395002
Ph.: 0261-3090200

Dear Sir/ Madam,

RE : Registration for remittance of dividend through electronic mode

I/We wish to avail ECS facility of the Company for remittance of dividend through electronic mode. Please take on your records my/our following details for the said purpose.

Registered Folio No. : No. of shares :

A. Identity Details (FILL IN CAPITAL LETTERS ONLY)

Name of Sole/Joint Holder(s)	Father's/Husband's Name	Surname of Sole/Joint Holder(s)	Date of Birth

B. Contact Details

Name of Sole/Joint Holder(s)	E-mail Id	Contact No. (with STD Code)	Registered Address

C. Permanent Account Number (PAN) (MANDATORY)

Sole/First Holder	Second Holder	Third Holder

ELECTRONIC CLEARING SERVICE (ECS) DETAILS : (Please fill in Capital Letters only)

Bank Name																
Branch Name																
Branch Code	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>(9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank)</p> <p>Please attach following documents as a mandatory requirement to register/update your ECS details:</p> <ol style="list-style-type: none"> 1. A cancelled leaf or a xerox copy of a blank cheque of shareholder's bank account duly cancelled for ensuring accuracy of the bank's name, branch name and code number. 2. Xerox copy of PAN Card of the shareholder including all the joint holders. 															
Bank Account No.	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>(As appearing on the cheque book)</p>															
Type of Account	<table border="1"> <tr> <td style="text-align: center;">S.B. Account</td> <td style="text-align: center;">Current Account</td> <td style="text-align: center;">Cash Credit Account</td> </tr> </table> <p>(Please tick whichever is applicable)</p>	S.B. Account	Current Account	Cash Credit Account												
S.B. Account	Current Account	Cash Credit Account														

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my/our Bank details and Account Number.

Signature(s) as per specimen recorded with Company		
Sole/First Holder	Second Holder	Third Holder

Place : _____ Date : _____

Important Notes :

1. The Company will register ECS details in its database only if the signatures of the shareholder(s) match with specimen signatures on records of the Company.
2. After ECS registration, dividend, as and when declared by the Company, will be remitted into the bank account as per the details registered with the Folio No. / DP ID & Client ID of the shareholder.
3. Shareholders are requested to keep the Company informed as and when there is any change in bank details registered with the Company.
4. Unless bank details are changed by the shareholder(s) by sending communication in writing, the Company will continue to remit dividend, as and when declared by Company, as per the details registered with the Company.
5. On dematerialization of existing physical shares for which shareholder(s) have availed ECS facility, the bank details are required to be submitted to DP of the shareholder for availing ECS facility.

INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION

FOR SHAREHOLDING IN PHYSICAL FORM	FOR SHAREHOLDING IN DEMAT FORM
TO, COMPANY SECRETARY FAIRDEAL FILAMENTS LIMITED 3RD FLOOR, DAWER CHAMBERS, NR. SUB-JAIL, RING ROAD, SURAT – 395 002	TO BE SENT TO YOUR DEPOSITORY PARTICIPANT (DP)

Dear Sir/Madam,

Re. : Change/Correction in address of communication

Please refer to my/our shareholding in Fairdeal Filaments Limited as per below mentioned details:

1. No. of equity shares held :

2. (i) For shareholding in physical form :

Registered Folio No. :

(ii) For shareholding in Demat Form :

DP ID : Client ID :

I/We hereby request to change my/our address of communication as per below details, under an intimation to me/us.
(Please fill in the details in CAPITAL LETTERS ONLY)

Old Address
Flat/Block/House No. :
Building/House Name :
Landmark Details :
Road/Lane/Area Name I :
Road/Lane/Area Name II :
City :
State :
PIN Code :

New Address

Flat/Block/House No. :

Building/House Name :

Landmark Details :

Road/Lane/Area Name I :

Road/Lane/Area Name II :

City :

State :

PIN Code :

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my address of communication.

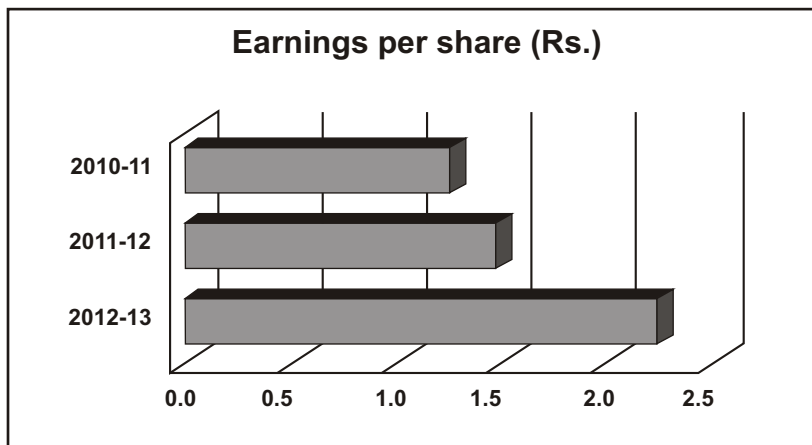
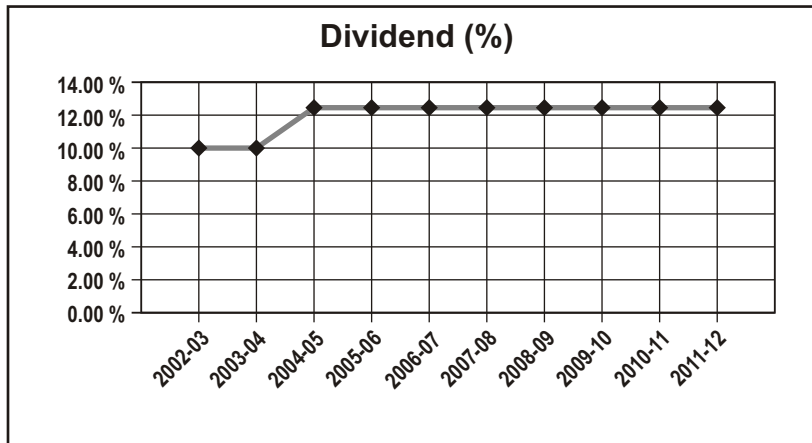
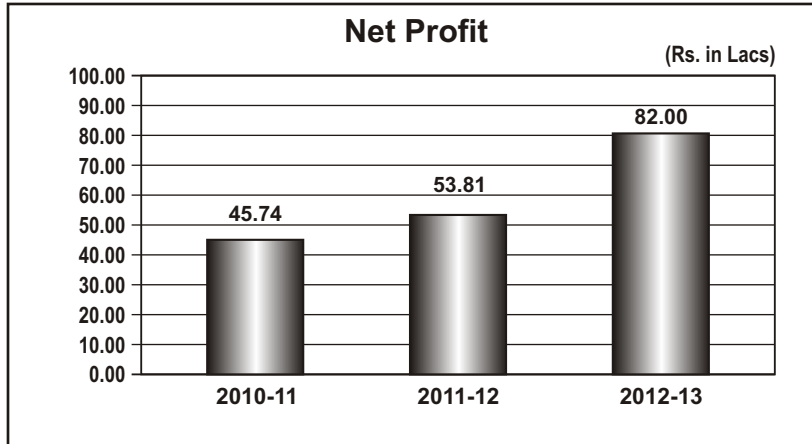
Thanking You,

	Name	Signature
Sole/First Holder		
Second Holder		
Third Holder		

Place : _____ Date : _____

Important Notes :

- The Company or its R & T Agent will update the new address in database only if the signatures of the shareholders match with specimen signature on record of the Company.**
- This form must be accompanied by one self-attested copy of new address proof in the name of the shareholder (e.g. Driving License, Passport, Ration Card and Light Bill/Gas Bill)**



Fairdeal Filaments Ltd.

Registered Office : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat - 395002.

PROXY FORM

I/We _____
of _____ being a
Member/Members of the above named Company hereby appoint _____
_____ of _____
or failing to him _____ of _____ as
my/our proxy to attend and vote for me/us, on my/our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of
the Company, to be held on Monday, 30th day of September, 2013 at 11.00 A.M. at the Registered office of the company.

Signed this _____ day of September, 2013.

Affix one
Rupee
Revenue
Stamp

Ledger Folio/Client ID. No.: _____

No. of shares held : _____

Signature of the Shareholder(s)

NOTE : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Fairdeal Filaments Ltd.

Registered Office : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat - 395002.

ATTENDANCE SLIP TWENTY THIRD ANNUAL GENERAL MEETING

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

I/We hereby record my/our presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company held on Monday, 30th September, 2013 at 11.00 A.M. at the registered office of the Company.

Ledger Folio / Client ID. No. :

No. of shares held :

Name/s of the Shareholder(s) / proxy :

Signature of the Shareholder(s)