



# FUTURA POLYESTERS LIMITED

**53RD ANNUAL REPORT 2013-2014  
(15 MONTHS)**

## 53rd ADJOURNED ANNUAL REPORT 2013-2014 (15 MONTHS)

### "Request to the Shareholders"

Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Secretary of the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

Members are requested to bring this copy of the Annual Report to the meeting.

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<b>Board of Directors</b>	S. B. Ghia M. D. Dalal M. Saravanan  KVK Murthy Mr. K. Ramasubramanian	Chairman & Managing Director Jt. Managing Director Nominee withdrawn by IDBI w.e.f. 10-03-2014 Independent Director Independent Director
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<b>Bankers</b>	Bank of India State Bank of India Union Bank of India Indian Bank UCO Bank Canara Bank State Bank of Hyderabad
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<b>Auditors</b>	Messrs. LLB & CO
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<b>Registrar and Share Transfer Agents</b>	Satellite Corporate Services Pvt. Ltd. 301, Sony Apartments Opp. St. Jude High School Off. Andheri-Kurla Road Jarimari Mumbai-400 072. Phone: 28520461, 28520462 Fax: 28511809 E-mail: service@satellitecorporate.com
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<b>Registered Office</b>	Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai-400 013. Phone 24922999 • Fax 24923142 E-mail: futuraho@futurapolyesters.com Website: www.futurapolyesters.net
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## NOTICE TO SHAREHOLDERS

Notice is hereby given that the adjourned Annual General Meeting of the Members of **FUTURA POLYESTERS LIMITED** will be held at M.C. Ghia Hall, 4<sup>th</sup> Floor Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda Mumbai 400 001 on Wednesday the 8<sup>th</sup> March 2017 at 11.30 a.m., to transact the following business which was adjourned at the 53rd Annual General Meeting of the Members held on Wednesday 3<sup>rd</sup> December, 2014 at 3<sup>rd</sup> Floor Paragon Condominium, Pandurang Budhkar Marg, Mumbai 400013.

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended 31st March 2014 (15 months) and the Reports of the Directors' and Auditors thereon.
2. Appointment of Statutory Auditors M/s. LLB & Co., Chartered Accountants, to conduct Audit of the Company from the commencement of financial year from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015, to hold office from the conclusion of this meeting till the next Annual General Meeting and to fix the remuneration,

2. Proxies should be lodged at the Company's Registered office atleast 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed 1st March 2017 to 8<sup>th</sup> March 2017 (both days inclusive).
4. The Company had held Annual General Meeting on 3<sup>rd</sup> December 2014 interalia to conduct ordinary Business of: (a) status of accounts for the financial period ended 31st March 2014; (b) Reappointing Directors retiring by rotation; The Meeting was then adjourned sinedie for approving the Audited Statement of Accounts as at 31st March 2014. The accounts of the Company have since been audited and are ready for laying before members of the Company. Members will recall that the earlier statutory Auditors had resigned and in their place M/s. LLB & Co, Chartered Accountants had been appointed as Statutory Auditors at the recently concluded the Extra Ordinary General Meeting held on 8<sup>th</sup> December, 2016.

### NOTES:

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

Registered Office: Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai 400 013. Place: Mumbai Dated: 19th January, 2017	By Order of the Board  <b>S. B. Ghia</b> Chairman & Managing Director
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### ANNEXURE REGARDING E-VOTING

#### E-Voting

The Company is pleased to provide e-voting facility to the shareholders of the Company to enable them to cast their votes electronically on the item mentioned in the notice.

The Company has appointed M/s. P. K. Pandya & Co, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on 1st March 2017 being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

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| <p>(viii) After entering these details appropriately, click on “SUBMIT” tab.</p> <p>(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</p> <p>(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>(xi) Click on the EVSN No 161114002 for Futura Polyesters Limited on which you choose to vote.</p> <p>(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.</p> <p>(xiii) Click on the “RESOLUTIONS FILELINK” if you wish to view the entire Resolution details.</p> | <p>(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.</p> <p>(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.</p> <p>(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.</p> <p>(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password &amp; enter the details as prompted by the system.</p> <ul style="list-style-type: none"> <li>Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <a href="https://www.evotingindia.com">https://www.evotingindia.com</a> and register themselves as Corporates.</li> <li>They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>.</li> <li>After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.</li> <li>The list of accounts should be mailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> and on approval of the accounts they would be able to cast their vote.</li> </ul> |
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- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on **05-03-2017 at 10.00 a.m. and ends on 07-03-2017**

**at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 1<sup>st</sup> March 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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### DIRECTORS' REPORT

To

The Members,

Your Directors submit the 53rd Annual Report of the Company along with the Audited Statement of Accounts for the period ended 31st March 2014 pursuant to the Annual General Meeting which now stands adjourned to March, 2017.

#### 1. FINANCIAL RESULTS :

	(Rupees)	
	<b>2013-2014</b>	2011-2012
	<b>(18 months)</b>	(15 months)
Gross Profit/(Loss) before interest & depreciation	—	—
Interest	—	—
Depreciation	—	—
Operating Profit / (Loss)	—	—
Profit / (Loss) before tax	—	—
Excess Provision of earlier years	<b>1,06,44,517</b>	—
Provision for Fringe benefit tax	—	—
Provision for wealth-tax	—	3,00,000
Deferred Tax Adjustment	—	9,58,86,653
Provision for taxation	—	—
Profit / (Loss) after tax	<b>(92,31,18,650)</b>	(189,67,81,562)
Balance of Profit brought forward from previous year	<b>(214,92,51,196)</b>	(25,24,69,634)
Balance carried to Balance Sheet	<b>(307,23,69,846)</b>	(2149251196)

#### 2. DIVIDEND:

Your Directors do not recommend any dividend for the year under review due to the loss suffered by the Company.

#### 3. OPERATIONS:

The Turnover of the company during the financial year ending 31st March, 2014 was Rs. Nil crores compared with Rs. 214.74 crores during the previous year. This fall in turn over was due to the company facing severe financial crises and suspension of its operations partially in mid 2012 and further all operations w.e.f. 31st Dec 2012. During the year the company approached the concerned authorities for Corporate Debt Restructuring (CDR cell) for Restructuring of its debts. We made serious efforts to comply with the strict norms and conditions of Corporate Debt Restructuring (CDR) which was granted to it in May 2012. However inspite of making serious efforts to

comply with the strict norms and conditions of Corporate Debt Restructuring (CDR) it could not be put into effect thereby losing precious time, in restarting operations. This had the effect of making the operations permanently unviable. The substantial fall in revenues added to that the burden of bearing the fixed costs. The company drifted into a irreversible path. Prime customers were lost and the company became overburdened with debt, interest, fixed costs, which could not be met thru operations. As a consequence the company lost its key personnel, and had an effect of mass exodus of employees.

#### 4. SALE OF LAND, PLANT& MACHINERY ETC.

Members have approved the sale of land, together with structures thereon, Plant & Machinery in accordance with Section 293(1)(a) of the Companies Act 1956, by way of Postal Ballot, in the month of June/July 2013. Efforts have been

made to put the resolution of shareholders into effect and consequently the company signed a MOU with purchaser based in Chennai. Your Directors expect to complete the transaction soon.

## **5. EXPLANATION & COMMENTS ON AUDITORS REPORT:**

**Management perception** and Explanations/clarifications to Auditor's Opinion in the Auditor's Report dated 19th January, 2017 considered by the Board of Directors is given below:

- a) The company is continuing with the assessment of alternate plans and all efforts are made to achieve the same.
- b) Effective and necessary steps are being taken. The company expects to recover the moneys from M/s. Golden Star Promoter Pvt. Ltd. (GSPL) in a reasonable period of time. The company is confident of realising the monies from GSPL.
- c) Based on the certificate of bankers liability has been recorded in the books of accounts of the company. The impact of the Loss to the company will be computed at the time of final settlement with the bankers. In the Consortium of 9 bankers 2 banks are charging interest where as others are not charging interest.
- d) The status of bank balances in current and deposit account is has been stated. The note is self explanatory and does not call for further explanation
- e) As a Conservative accounting practice the lesser amount payable to Daewoo has been shown. The matter is being heard in the Honorable Bombay High Court and it is expected that hearings here after will take place.
- f) The note is self explanatory and does not call for further explanation
- g) All efforts have been made to obtain confirmation from sundry debtors and creditors
- h) The company has already taken all efforts to meet export obligations.
- i) Employees of the company in large numbers left the organisation at the end of calendar year 2012. The company had no funds to pay for operating expenses and hence no electricity to run its computers and Systems.

This prevented the company from updating its records and data. The company made best efforts whatever necessary to maintain statutory records. There were also litigations with concerned government departments and made best efforts to update and collate data and information.

## **6. SUBSIDIARY OF THE COMPANY**

The company does not have any Subsidiary.

## **7. FIXED DEPOSITS AND LOANS**

As on 31st March, 2014, the Company had an aggregate sum of 185.69 Lakhs as fixed deposits from Public / Shareholders. The total number of depositors who have not claimed / renewed their deposits on maturity was 112 and the amount that remained unclaimed / not renewed as on 31st March, 2016 was Rs. 27.98 Lakhs The Company has not accepted any fresh deposits nor renewed any deposits during the period under review. The Company has approached the Hon'ble Company Law Board (CLB) (now name changed to National Company Law Tribunal (NCLT) suo moto for certain reliefs in the repayment of the Fixed Deposits of the company and is awaiting reliefs/extended time for repayment of Fixed Deposits amounting to Rs. 1.86 Crs.

## **8. INSURANCE**

The Company's plant & Machineries, stores, inventories have been disposed off & since the company does not carry on any operations no insurance have been provided for.

## **9. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

The Company does not carry any operation, the relevant information is not called for.

## **10. DIRECTORS**

Mr. M Sarvanan nominee of IDBI. IDBI has withdrawn his nomination from the Board of the Company with effect from 10-03-2014. Mr. K. Ramasubramanian resigned from the Board in 4<sup>th</sup> December, 2014. The Board places on record their services made by them during their tenure as Directors.

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### 11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirements under section 217(2A) of the Companies Act, 1956 ("the Act") with respect to directors' responsibility statement, it is hereby confirmed that:-

1. In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
2. the Directors had selected such accounting policies and 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 as at 31st Dec 2012 and of the loss of the Company for the period ended on that date.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a 'going-concern' basis.

### 12. AUDITORS:

Members will recall that the earlier Statutory Auditors M/s. N. M. Rajji & Co. Chartered Accountants had resigned and in their place M/s. LLB & Co, Chartered Accountant had been appointed as Statutory Auditors at the recently concluded the Extra Ordinary General Meeting held on 8<sup>th</sup> December, 2016. The terms of appointment of M/s. LLB & Co, Chartered Accountant, Statutory Auditor comes to an end at this annual General Meeting. The reappointment is now sought from the conclusion of this meeting till the next Annual General Meeting to conduct Audit for the next financial year.

### 13. COST AUDITOR:

As the company does not have operations the requirement of maintaining of Cost Accounts does not arise.

### 14. REAPPOINTMENT OF MR. S. B. GHIA AND MR. M. D. DALAL

Mr. S. B. Ghia and Mr. M.D. Dalal have been appointed as the Managing Director & Joint Managing Director respectively.

### 15. CORPORATE GOVERNANCE:

As required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Corporate Governance and Management Discussion and Analysis Report annexed to this report, form part of this Annual Report.

### 16. INDUSTRIAL RELATIONS:

A settlement is being arrived at with workmen at Chennai. The Directors wish to place on record their appreciation for the co-operation extended by the Ex. Workmen

### 17. COMPLIANCE CERTIFICATE:

A Certificate from the Practising Company Secretary of the Company regarding compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

### 18. PERSONNEL:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, none of the Company's employees was in receipt of remuneration aggregating to Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- or more per month during the period under review.

### 19. ACKNOWLEDGEMENTS:

The Board of directors wishes to place on record its gratitude for the continued support from Government authorities, Banks, members etc.

By Order of the Board

**S. B. GHIA**

Chairman & Managing Director

Registered Office:  
Paragon Condominium, 3<sup>rd</sup> Floor,  
Pandurang Budhkar Marg, Mumbai-400 013.

Place: Mumbai

Dated: 19<sup>th</sup> January 2017

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT: 2013-14**

### **1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company has been engaged in the manufacturing and marketing activities of Polyester products namely Polymer, Preforms and Polyester staple Fibre (PSF). The corporate focus has been on manufacture and sale of "Specialty products" across all segments, especially environmental friendly green products. However all these operations have now ceased for a variety of reasons and causes disclosed below.

### **2. OPPORTUNITIES AND THREATS**

The company enjoyed a good standing and reputation in the Polyester fibre market, especially black and dope dyed colour fibre markets.

As already informed earlier in pervious years, the Power (electricity) situation in the state of Tamil Nadu was serious and a major concern, the Government's policy of blanket ban on the import of PET Bottle waste left to a complete fault in the raw material supply chain where buy causing stop of production. This led to fall off revenue leading to financial crisis. Finally culminating in the downfall and ceased all operations of the company.

### **3. PERFORMANCE**

During the year the accounting period was extended to fifteen month period between Jan 2013 to March 2014. The Company had Nil turnover consequent upon ceasure of operations, loss of personnel and had a net loss of Rs. 9123.54 Lakhs for the year under review.

### **4. OUTLOOK**

In order to tide over the financial crisis the company has agreed to selling/disposing off its land and factory etc at Chennai to meet its legal liabilities. Postal Ballot approval of shareholders was taken for the sale/disposal of land at Chennai. Settlement is being arrived at with the Workmen at Chennai. Efforts are on to meet legal payments.

The Company has also approached Lenders/Banks for a One Time Settlement (OTS) of its debts for which the Lenders/Banks. Banks have been cooperative and sensitive to the situation which the company has been facing for the last few years.

### **5. RISKS & CONCERNS**

Adequacy of funds to meet the liabilities inspite of best efforts to raise funds by means of selling /disposing off land etc at Chennai is matter of serious concern. The company is finalising alternate plans for the future.

### **6. INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Audit Committee set up by the Board reviews periodically the status an performance of the company. As the company has ceased operations the need to have internal auditors as also cost auditors has not arisen. Further M/s. LLB & Co, Chartered Accountants have been appointed as Statutory Auditors at the recently concluded Extra Ordinary General Meeting held on 8<sup>th</sup> December, 2016.

### **7. DISCUSSION ON FINANCIAL PERFORMANCE**

During the 15 months ended 31-03-2014 the operating loss was Rs. 9,123.54 Lakhs as compared to an Operating Loss of Rs. 18,967.82 Lakhs incurred during the Previous Year. The net turnover including other income was Rs. Nil Lakhs (compared with Rs. 21,473.67 Lakhs of the previous Year).

### **8. HUMAN RESOURCES / INDUSTRIAL RELATIONS**

A settlement is being arrived at with workmen at Chennai. The Directors wish to place on record their appreciation for the co-operation extended by the Ex. Workmen.