



# FUTURA POLYESTERS LIMITED

**58TH ANNUAL REPORT 2018-19**



# **FUTURA POLYESTERS LIMITED**

## **58TH ANNUAL REPORT 2018-2019**

### **“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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Board of Directors	S. B. Ghia	Chairman & Managing Director
	M. D. Dalal	Jt. Managing Director
	KVK Murthy	Independent Director (Up to 30-07-2019)
	Mr. M.V Gopinath	Independent Director (wef 02-08-2019)

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Bankers	Bank of India State Bank of India Union Bank of India Indian Bank UCO Bank Canara Bank AXIS Bank IDBI Bank Limited
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Auditors	Messrs. LLB & Co., 403, Hurrah, City of Joy, Cement Compound, J.S.D. Road, Mulund West, Mumbai 400080, Tel. No: 022-25612360 Mob: 9930509005
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Registrar and Share Transfer Agents	Satellite Corporate Services Pvt. Ltd. Unit No. 49, Bldg. No.13-A-B, 2nd Floor, Samhita Commercial Co-Op Soc. Ltd. Off Andheri Kurla Road, MTNL Lane, Sakinaka, Andhari (E), Mumbai-400 072. Phone: (022) 28520461, (022) 28520462 Fax: (022) 28511809 E-mail:service@satellitecorporate.com
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Registered Office	111, T.V. Industrial Estate S.K. Ahire Marg, Worli Mumbai-400 030. Phone 24923080 E-mail: futuraho@futura polyesterers.com Website: www.futura polyesterers.in CIN:L65192MH1960PLC011579
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## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the 58th ANNUAL GENERAL MEETING of the Members of FUTURA POLYESTERS LIMITED will be held at the Nano Theatre, P. L. Deshpande Maharashtra Kala Academy, Savani Road, Prabhadevi, Mumbai - 400 025, on Wednesday 22<sup>nd</sup> January, 2020 at 12.30 p.m., to transact the following business :

### Ordinary Business:

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

- 1 To receive, consider and adopt the audited financial statement for the year ended 31st March, 2019 and the Reports of the Board of Directors' and Auditors thereon.**  
**"RESOLVED THAT** the audited financial statement for the year ended 31<sup>st</sup> March, 2019 along with the notes annexed thereto and the reports of the Directors and the Auditors, be and is hereby considered and adopted."
- 2 To appoint Mr. M. D. Dalal (DIN 00005275) who retires by rotation and being eligible offers himself for reappointment.**  
**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. M. D. Dalal (DIN 00005275), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- 3 To consider and appoint M/s LLB & Co., Chartered Accountants, as the Statutory Auditors of the Company.**  
**"RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions if any, of the Companies Act 2013, and the rules made thereunder M/s LLB & Co., Chartered Accountants, firm registration number 117758, be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of 63rd Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this AGM) on such remuneration as may be fixed by the board apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."
- 4 To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**  
**"RESOLVED THAT** Mr. M.V. Gopinath , an Additional Director of the Company who, under Section 161 of the Companies Act, 2013, ("the Act") holds office unto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 and other applicable provisions, if any, of the Act, proposing his candidature for the office of an Additional Director, be and is hereby appointed an Independent Director of the Company."

### Special Business:

- 5 To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

#### **APPOINTMENT OF MR. S. B. GHIA AS MANAGING DIRECTOR OF THE COMPANY**

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and subject to such modifications, variations as may be necessary and acceptable, approval of the company be and is hereby accorded for the appointment of Mr. S. B. Ghia as Managing Director of the Company, whose office is not liable to retire by rotation for a period of 5 (five) years with effect from 3rd April, 2019 to 2<sup>nd</sup> April, 2024 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** Mr. S. B. Ghia be paid minimum remuneration in terms of Section II of Part II of Schedule V of the Companies Act, 2013, upon the Company discharging its debts including payments to fixed depositors

**RESOLVED FURTHER THAT** in the event that, in any financial year, during the currency of tenure of Mr. S. B. Ghia, the Company makes profits, then, in terms of Section I of Part II of Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereto, and subject to payment of managerial remuneration within the overall permissible limits as provided under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps and actions and to do all necessary deeds, actions and things to give effect to this resolution."

- 6 To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

#### **APPOINTMENT OF MR. M. D. DALAL AS JOINT MANAGING DIRECTOR OF THE COMPANY**

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and such other consents and permissions as may be necessary and subject to such modifications, variations as may be approved and acceptable, approval of the company be and is hereby accorded for the appointment of Mr. M.D. Dalal as Joint Managing Director of the Company for a period of 5 (five) years with effect from 3<sup>rd</sup> April, 2019 to 2<sup>nd</sup> April, 2024 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** Mr. M.D. Dalal be paid minimum remuneration in terms of Section II of Part II of Schedule VI to the Companies Act, 2013, upon the Company discharging its debts including payments to fixed depositors.

**RESOLVED FURTHER THAT** in the event that, in any financial year, during the currency of tenure of Mr. M.D. Dalal, the Company should make profits, then, in terms of Section I of Part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereto, and subject to payment of managerial remuneration within the overall permissible limits as provided under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps and actions and to do all necessary deeds, actions and things to give effect to this resolution."

### NOTES:

- 1 WITH EFFECT FROM 1<sup>ST</sup> DECEMBER, 2019 THE COMPANY HAS CHANGED THE REGISTERED OFFICE TO THE FOLLOWING OFFICE i.e. 111, FIRST FLOOR, TV INDUSTRIAL ESTATE, S.K. AHIRE MARG, WORLI, MUMBAI-400 030.**
- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IN ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.** Proxies, in order to be effective, must be duly filled in, stamped, signed and deposited at the Registered Office of the company not less than forty-eight hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, partnership firms etc. must be supported by an appropriate resolution/authority as applicable, issued on behalf of the appointing organisation.
- 2. Proxies should be lodged at the Company's registered office at least 48 hours before the commencement of the meeting.**
- 3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. A proxy holder shall prove his identity at the time of attending the AGM.**
- 4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.**

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5. A Corporate Member intending to send its authorised representative to attend the AGM in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the relevant Board resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on its behalf at the AGM.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 15-01-2020 to 22-01-2020 (both days inclusive).
7. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agents cannot act on any request received directly from the members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
8. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Satellite Corporate Services Pvt Ltd at the earliest.
9. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in dematerialized form may file nomination in the prescribed Form SH-13 (in duplicate) with the respective DPs and in respect of shares held in physical form, such nomination may be filed with the Company's Registrar and Share Transfer Agents.
10. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agents of the Company.
11. Members who wish to attend the AGM are requested to bring attendance slip sent herewith duly filled in and the copy of the Annual Report. Copies of Annual Report will not be distributed at the AGM.
12. Members are requested to affix their signature at the place provided on the attendance slip annexed to the proxy form and handover the slip at the entrance to the place of the AGM. The identity/signature of the Members holding shares in dematerialized form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the Depository Participant (DP ID) and account number (Client ID) to the AGM for recording of attendance at the AGM.
13. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Secretary of the Company so as to reach at least seven (7) days before the date of the AGM so that the information required may be made available at the AGM, to the best extent possible.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide to members the facility to exercise their right to vote on the resolutions proposed to be passed at this 58th AGM by electronic means and the business may be transacted through e-Voting Services provided by NSDL.
15. All documents referred to in this Notice and accompanying explanatory statement are open for inspection at the registered office of the Company on all working days of the company between 10.00 a.m. IST and 1.00 pm IST upto the date of the AGM and at the venue of the AGM for the duration of the AGM.
16. With a view to serving the members better and of administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical and in the same order of names in more than one folio are requested to write to the Company's Registrar and Share Transfer Agent M/s. Satellite Corporate Services Pvt Ltd to consolidate their holdings in one folio.

## Registered office:

111 T.V. Industrial Estate  
S.K. Ahire Marg Worli,  
Mumbai 400 030

Dated: 5<sup>th</sup> December, 2019

By Order of the Board

**S. B. Ghia**  
Chairman &  
Managing Director

## 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 14-01-2020 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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.

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN No **190710001** or Futura Polyesters Limited on which you choose to vote.
- (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.
- (xiii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (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.
- (xv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (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.
- (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 &** enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 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.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 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.

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

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

- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
- (B) The voting period begins on **19-01-2020 at 10.00 a.m. and ends on 21-01-2020 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 14-01-2020 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).

**Details of Directors Seeking Appointment/reappointment at the Annual General Meeting**

Particulars	Mr. M.D.Dalal	Mr. S. B. Ghia	Mr. M.Gopinath
<b>Date of Birth</b>	11 <sup>th</sup> July 1956	22 <sup>nd</sup> November, 1947	24 <sup>th</sup> May, 1954
<b>Qualifications</b>	B. E. (Chemical), MIT, U.S.A.	B.Sc.(Chem) M.B.A. Bowling Green State University, OHIO, U. S. A.	M.Com. (Business. Admin) LLB Gen.
<b>Expertise in specific functional areas</b>	Director since January 01, 1988	Director since October, 1973	Independent Director since 10 <sup>th</sup> October, 2019
<b>Directorship held in Other public companies(excluding foreign companies and section 25 companies)</b>	1) Sonata Soft ware Ltd 2) Mahi Enterprises Pvt Ltd 3) FPL Property Developers Pvt Ltd 4) Bright Star Learning India Pvt Ltd 5) Actis Biologics Pvt. Ltd.	Sonata Software Limited	Nil
<b>Membership/Chairmanships of committees of other public companies (includes only Audit Committee and shareholders/investor Grievance Committee)</b>	<u>Shareholders/Investor Grievance Committee</u> Sonata Software Ltd Futura Polyesters Ltd	Futura Polyesters Limited (Investor Grievance Committee Member), Sonata Software Limited (Remuneration Committee, Investor Grievance Committee Chairman, Audit Committee Chairman) Alkyl Amines Limited (Audit Committee Member, Investor Grievance Committee Member, Remuneration Committee Chairman)	Nil
<b>No of shares held in the Company</b>	2,71,754	1012	Nil



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## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

#### ITEM NO. 4 & 5

The Board of Directors have approved, subject to the Members' approval, appointments of the Mr. S. B. Ghia as Chairman & Managing Director and Mr. M. D. Dalal as Joint Managing Director for the period of five years on terms of appointment and remuneration which are summarised below. Pursuant to that Act it now proposed to obtain the Members Approval for their appointment.

**A) PERIOD: Mr. S. B. Ghia as Chairman & Managing Director**, 5 years w.e.f. 3rd April 2019 to 2nd April 2024. a) Rs. 65,000/- p.m. as basic pay in the grade of Rs. 50,000-5000-1,00,000 with liberty to the Board to grant additional increments in the scale as above.

**B) REMUNERATION: Mr. M. D. Dalal as Joint Managing Director**, 5 years w.e.f. 3rd April 2019 to 2nd April 2024. a) Rs. 55,000/- p.m. as the basic pay in the grade of Rs. 50,000-5000-1,00,000 with liberty to the Board to grant additional increments in the scale as above.

#### And to each of them

- b) Commission at the rate of 1(one) per cent of the net profits, if any, of the Company ;
- c) City compensatory allowance of Rs.1,800/- per month when based in Mumbai ;
- d) Fully furnished residential accommodation (with furniture, fixtures and fittings) owned leased or licensed by the Company (including repairs and maintenance thereof) OR, in lieu thereof a house rent allowance at the rate of 50% of the monthly basic salary ;
- e) Reimbursement of gas, electricity and water charges as also furnishings evaluated as provided for in the Income-tax Rules, 1962 ;
- f) Use of 1(one) motor-car with driver for the Company's business, all running operation and maintenance expenses thereof to be borne by the Company;
- g) Benefit of the Company's Provident Fund Scheme, and the Superannuation or Annuity Fund Scheme, for the time being in force together with the benefit of any retirement Fund or Scheme which the Company may introduce in future;
- h) Gratuity in accordance with the Rules of the Company ;
- i) Reimbursement of actual medical expenses (including medical insurance, hospital/nursing home/surgical and optical costs/expenses) incurred for self, family.
- j) Benefit of sick leave in accordance with the Rules of the Company;
- k) 30 (thirty) days' privilege leave with full pay and allowances for each year of service which can be accumulated and encashed as per Rules of the Company
- l) Leave Travel: Benefit of 1<sup>st</sup> class air-conditioned train or air, and/or such other mode of conveyance as the appointee may opt for, for self and family, while proceeding on privilege leave, together with hotel/board and lodging expenses incurred at actuals;
- m) Personal accident insurance cover at the cost of the Company provided the actual premium thereof does not exceed Rs.4,000 per year or such other amount as the Directors think fit ;
- n) Use of 1(one) telephone for the Company's business at the residence, Provided that the cost of personal long distance calls, if any, shall be reimbursed by the appointee to the Company;
- o) Fees (including entrance and subscription) of Clubs (subject to a maximum of 2 clubs) together with the benefit of all expenses incurred in or towards the business of the Company;
- p) No sitting fees will be paid for attending meeting(s) of the Board or Committee thereof;

PROVIDED that the remuneration aforesaid shall not in any financial year, exceed 5 (five) per cent of the net profits of the Company (where the Company has only one managerial personnel),  
OR

10 (ten) per cent of the net profits of the Company (where the Company has more than one managerial personnel), for all of them put together.

#### C) MINIMUM REMUNERATION

The remuneration payable to each of Mr. S. B. Ghia and Mr. M. D. Dalal in case of absence or inadequacy of net profits in any financial year is as follows:

The remuneration in B above including perquisites but save and except commission, shall, nevertheless, be paid as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the condition that such remuneration shall not, without the approval of the Central Government., exceed ceiling limit computed on the basis of the effective capital of the Company as defined in the Explanation I under para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 and as notified by the Government of India from time to time. PROVIDED that the under mentioned perquisites, namely:

- a) contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, singly or put together, are not taxable under the Income-tax Act, 1961.
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave, at the end of tenure of service, shall not be included in the computation of remuneration.

#### D) OTHER TERMS

- i. Mr Ghia shall not, while he continues to hold office as Managing Director be liable to retire by rotation as a Director of the Company.
- ii. Mr Dalal shall, while he continues to hold office as Joint Managing Director be liable to retire by rotation as a Director of the Company.
- iii. The appointees shall not without Board approval engage himself in any other business occupation or employment of a nature similar to, or competing with the Company's business.
- iv. The appointees shall not divulge or disclose any confidential information or knowledge obtained by him as to the business or affairs of the Company.
- v. if before the expiry of their respective Agreements, the tenure of office shall be determined for any reason other than those provided in subsection (3) of section 318 of the Companies Act, 1956, they shall be entitled to remuneration for the unexpired residue of their term or three years whichever is shorter, by way of compensation for loss of office.
- vi. In the event the appointee dies during the term of the Agreement, the Company shall pay to his legal heirs, full salary and other emoluments for that month and for three months thereafter.
- vii. Either the appointees or the Company may terminate the Agreement by giving 90 days' notice in writing to the other without any cause.

#### 5) MEMORANDUM OF INTEREST

Mr. S. B. Ghia and Mr. M. D. Dalal are interested in their respective appointments. No other director is interested or may be deemed to be concerned or interested in the appointments mentioned hereinabove. Your directors are of the view that the reappointments of Mr. Ghia and Mr. Dalal will be in the interest of the company and accordingly recommend the resolutions at item nos. 6 and 7 for your acceptance. The agreements between the company and each of Mr. Ghia and Mr. Dalal referred to in the Resolution are available for inspection of members at the Registered Office of the Company during the company's normal business hours on all working days except Saturday.

#### Registered Office:

111, T. V. Industrial Estate, S. K. Ahire Marg,  
Worli, Mumbai-400 030.

Place: Mumbai

Dated: 5<sup>th</sup> December, 2019

By Order of the Board

**S. B. GHIA**

Chairman & Director

## DIRECTORS' REPORT

To

The Members,

Your Directors submit the 58th Annual Report of the Company along with the Audited Statement of Accounts for the period ended 31st March, 2019.

### 1. FINANCIAL RESULTS :

(Rupees)

	2018-19	2017-18
Gross Profit/(Loss) before interest & depreciation	—	—
Interest	—	—
Depreciation	—	—
Operating Profit / ( Loss)	—	—
Profit / (Loss) before tax	<b>590,786,236</b>	1,246,202,756
Excess Provision of earlier years	—	—
Provision for Fringe benefit tax	—	—
Provision for wealth-tax	—	—
Deferred Tax Adjustment	—	—
Provision for taxation	—	—
Profit / (Loss) after tax	<b>590,786,236</b>	1,246,202,756
Balance of Profit brought forward from previous year	<b>4,899,346,583</b>	3,653,143,827
Balance carried to Balance Sheet	<b>5,490,132,819</b>	4,899,346,583

### 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 31<sup>st</sup> March, 2019 was Rs. Nil which was the same as previous financial year ending 31<sup>st</sup> March, 2018. The Company faced severe financial crisis and suspended its operations partially in midway through financial year 2012 - 13 and further all operations were suspended with effect from 31<sup>st</sup> December 2012.

In an earlier financial year, the Company approached the concerned authorities for Corporate Debt Restructuring ("CDR") for Restructuring of its debts. However the CDR was granted only to the Company sometime in May 2012. Though serious efforts were made to comply with the norms and conditions of the CDR, it could not be put into effect thereby losing valuable time and financial resources of the Company. This resulted in making the operations of the Company becoming permanently unviable. As the Company could not continue its operations, it started losing its personnel and employees. However, with temporary hired personnel, the Company has attempted to retrieve its books of accounts and other books and despite the present adverse circumstances, the Company has completed its accounts for the year ended 31<sup>st</sup> March 2019.

Important and significant steps taken by the Company during this financial year are as under:

- To formalise the action envisaged under M O U dated 19-12-2012, the Company has entered into Agreement for Sale dated 5<sup>th</sup> September, 2014 with Golden Star Promoters Private Limited ("GSPL") for sale and transfer of its freehold land situated at Chennai Manali in the state of Tamil Nadu, on behalf of the Company;
- The Company has obtained the approval of Chennai Metropolitan Development Authority (CMDA) for dividing the plot of land situated at Chennai Manali in the state of Tamil Nadu, into separate saleable plots of land.
- Company was required to gift portion of its land situated at Chennai Manali in the state of Tamil Nadu, to CMDA for the purposes of construction or roads and other utilities as a part of the understanding and agreement for converting land into industrial plots. This would facilitate the transaction.

- Various litigations filed against the Company were defended in the courts of law. In particular the company was defending a winding up petition and the order of the Hon'ble High Court dated 22<sup>nd</sup> June 2018 the company was ordered to be wound up with the Liquidator asked not to take any action. The company successfully appealed to the Bench of the Hon'ble High Court against the order of Hon'ble High Court and the winding up order was set aside upon signing consent terms of the Petitioner and the Company, vide its order dated 2<sup>nd</sup> April 2019.
- Meetings were held with joint lenders to explain the financial position of the Company and to request for some time for the repayment of its debts to the lenders. Most lenders have responded positively to the proposition of the Company.
- Settlement was entered into with the labour union of the Company in Chennai to postpone payment dues to the ex-employees of the Company.
- In the financial year ended 31<sup>st</sup> March 2018, the Agreement for Sale with GSPL was revoked.

The company's land is located at Manali Chennai. This place is about one and half hours away from the city center where only industrial activity goes on. Land was acquired by the company in the early 1970's with the condition to set up industrial activity and in particular in our case for the manufacture of polyester fibre and allied products. The company's land is surrounded by various industrial units, with lots of pollution and unfavourable accessibility. Hence the land could not have been and cannot be sold as commercial industrial land. With enormous efforts your company located another company known as Golden Star Promoters Private Limited (GSPL) who was willing to convert the industrial land into business Park which will entitle the company to have a better sales realization of land. Your directors were and are working under tremendous pressure of limitations of time and opportunity to achieve the goal of realizing moneys to pay workers, creditors and others. GSPL was the best alternative at that point of time which was made after careful consideration. One more fact which needs to be brought to the attention of the shareholders is that guideline value/ price per acre was not known or declared by the state govt at that point of time. After much follow-up, which consumed time, guideline value declared, stood at Rs 2000 per sq. ft. Prolonged pleadings and submissions resulted in declaring the guideline value at Rs 1500 vide notification and declared across



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the board reduction of 33% in guideline value of Tamil Nadu land in several districts. This process is time consuming and the company has been for almost 5 years approaching the govt with petitions and pleadings. To prove its bonafides the company had filed writ petitions on the subject of guideline value of land which was arbitrarily fixed by the govt. This has resulted in the guideline value being declared at Rs 754/- per acre. It is therefore incorrect to say that proper verification was not done in the case of GSPL. The directors were and are tremendous pressure to meet the deadlines of creditors and various requirements of law, with the project going. In our opinion GSPL has done away tedious and cumbersome job in the best possible way.

Many events and changes have occurred in the State of Tamil Nadu in the year 2012- 2013 onwards like floods, political upheavals, disturbances arising out of politics whose after effects lasted for several months. The political uncertainty and getting of approvals and permissions was and is extremely difficult and time consuming. In the business of real estate, prices often keep on changing this was one such venture because susceptible to this dynamics. Schedule changes to be made to the understanding between GSPL and company accommodate the changing environment. It is very depressing to note the auditor's comment that the company dealt with GSPL softly. On the contrary the aim was to achieve the goal mentioned earlier. Taking legal action as commented by the auditor's under the circumstances would have aggravated situation and lost vision of the goal. Board of directors considered undesirable to pursue any legal remedy.

## Adverse opinion re true and fair view

All efforts have been made to present the accounts transparently and factually and in conformity with the Companies Act 2013. The Auditors have expressed satisfaction at the availability of the records, books of accounts and all other papers necessary for the purpose of audit. Hence we confidently state that the accounts do give a true and fair view.

## 4. EXPLANATION & COMMENTS ON AUDITORS REPORT

Management perception and explanations /clarifications to opinion of the Auditor in the Auditor's Report dated 25<sup>th</sup> Nov 2019 by the Board of Directors is given below:

- The Company is continuing with the assessment of alternate plans to revive the operations of the Company;
- The Company had entered into an Agreement for Sale dated 5<sup>th</sup> September, 2014 (refer point 3 above) with GSPL ("Agreement") regarding the sale of land situated at Chennai Manali in the state of Tamil Nadu). However, the Agreement did not envisage, given the abrupt end of the operations of the Company, any clause to recover interest in the event of outstanding amount recoverable from GSPL. Viewing the situation seriously, the Directors concluded that it is in the best interest of the Company to terminate the Company which was done on 28 December, 2017.
- 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 (nine) bankers, 2 (two) banks are charging interest to the Company whereas the remaining banks are no longer charging interest.
- The provision of interest on amounts payable to workers is a subject of on-going negotiations, however the same will be provided as and when necessary.

## 5. SUBSIDIARIES OF THE COMPANY

The Company does not have any Subsidiary at present.

## 6. FIXED DEPOSITS AND LOANS

As on 31<sup>st</sup> March, 2019, the Company had an aggregate sum of 55.86 lakhs as fixed deposits from public / its shareholders. The total number of depositors who have not claimed their deposits

on maturity was 108 and the amount that remained unclaimed as on 31<sup>st</sup> March, 2019 is Rs. 26.77 lakhs. The Company has not accepted any fresh deposits nor renewed any deposits during the period under review. The Company has repaid to all the fixed deposit holders who have claimed and sought payment.

## 7. INSURANCE

The Company's plant and machineries, stores, inventories have been disposed of and since the Company does not carry on any operations, no insurance have been provided for.

## 8. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Since the Company does not carry on any operation, the relevant disclosure is not applicable to the Company.

## 9. DIRECTORS

Mr. KVK Murthy expired on 30-7-2019. The Board places on record the services and guidance provided by him during his tenure as a Director of the Company. Mr. M.D. Dalal Director retiring by rotation, being eligible offers himself for reappointment.

During the year Mr. M. Gopinath was appointed as an Additional Director w.e.f 2<sup>nd</sup> August 2019 in place of Mr. KVK Murthy. Mr. Gopinath holds office till the conclusion of the ensuing Annual General Meeting. Appointment of Mr. Gopinath as an Additional Director (independent) for period of 5 years has been proposed by a shareholder and accordingly a resolution for his appointment has been proposed in the Notice.

Mr. Shyam B. Ghia was appointed as Managing Director on 3<sup>rd</sup> August 2019, a special resolution has been proposed in the Notice for his appointment.

Similarly Mr. Mukund Dalal was appointed as Joint Managing Director 3<sup>rd</sup> August 2019, a special resolution has been proposed in the Notice for his appointment.

## 10. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(3) (c) and 134(5) of the Companies Act, 2013 ("the Act"), your Directors hereby state as under:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year and of the profit and loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis; and
- the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 11. AUDITORS

M/s. LLB & Co., Chartered Accountants, have retired as the statutory auditors of the Company at this Annual General

Meeting. Their reappointment is sought from the conclusion of this Annual General Meeting till the 59<sup>th</sup> Annual General Meeting to conduct audit of the Company for the financial year ended 31<sup>st</sup> March 2020.

## **12. NOMINATION AND REMUNERATION COMMITTEE & STAKEHOLDERS RELATIONSHIP COMMITTEE**

Remuneration Committee & Stakeholders Relationship Committee comprises of Mr. K V K Murthy Chairman, (upto 29<sup>th</sup> July 2019) Mr. S B Ghia and Mr. M.D. Dalal as its members.

## **13. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by any regulator during this financial year. However the valuation process for determining guideline value in respect of Land at Chennai Manali is at present posing challenges for the finalisation of a favourable conclusion. A winding up order of the Hon'ble Bombay High Court arising out of a petition was successfully defended by the company on an appeal to the Bench of the Hon'ble Bombay High Court vide its order dated 2<sup>nd</sup> April 2019. Apart from this no significant and material orders passed have been passed by the Courts.

## **14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Following are the details of the loans availed by the Company during this financial year:

M/s. Bhupati Investments & Finance Pvt Ltd Rs 42.30 Lacs

Mr. S.B. Ghia Rs.39.20 Lacs.

The Company has not given any loan or issued any guarantee or given any security during this financial year.

## **15. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year as envisaged under section 188 of the Companies Act 2013.

## **16. LISTING WITH STOCK EXCHANGES**

The Company confirms that it has paid the annual listing fees for the financial year 2019 -20 to the BSE Limited where the shares of the Company are listed. BSE Limited has suspended the trading of the equity shares of the Company.

## **17. COST AUDITORS**

As the Company does not have operations, the requirement of maintaining of the cost accounts of the Company does not arise.

## **18. CORPORATE GOVERNANCE**

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, Corporate Governance and Management Discussion and Analysis Report of the Company annexed to this report.

## **19. INDUSTRIAL RELATIONS**

The Company is in the process of arriving at a settlement with the labour union of its workmen at Chennai. The Directors wish to place on record their appreciation for the co-operation extended by the ex – workmen of the Company.

## **20. COMPLIANCE CERTIFICATE**

A certificate from the auditors of the Company regarding compliance of conditions of corporate governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 is attached to this report.

## **21. PERSONNEL**

In terms of Section 203 read with the Companies Appointment and Remuneration of Managerial Personnel of Rules, 2014 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.

## **22. ACKNOWLEDGEMENTS**

The Board of Directors wishes to place on record its gratitude for the continued support of government and regulatory authorities, banks, its members, etc. towards the Company.

## **23. CONTINGENT LIABILITY**

The contingent Liability not provided for in the books of account of the company amount to Rs. 16,601.38 Lacs

## **24. RISK MANAGEMENT**

The Company's risk management is continuous process and periodically evaluate various risk encountered by the business and seeks to upgrade the risk management process

## **25. INDEPENDENT DIRECTORS**

The company has received necessary declaration form from the Independent Director u/s 149(7) of the Act, and the same meets the criteria of their independence.

## **26. AUDIT COMMITTEE**

The Audit Committee (upto 30-7-2019) consist of Mr. KVK Murthy as Chairman, Mr. S.B. Ghia and Mr. M.D. Dalal are Committee Members. With the demise of Mr. KVK Murthy as chairman being a Independent Director, the board has since appointed Mr. M Gopinath as Chairman of the Audit committee.

## **27. SECRETARIAL AUDIT**

Secretarial Audit Report as provided by Ms. Meghna Mhatre, Practising Company Secretary, is annexed to this Report.

## **28. EXTRACT OF ANNUAL RETURN**

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014 and Extract of Annual Return in Form MGT9 is annexed.

**By the order of the Board**

**S. B. Ghia**

Chairman and Director

## **Registered Office:**

111, T. V. Industrial Estate,  
S. K. Ahire Marg,  
Mumbai - 400 030

Place: Mumbai

Dated: 5<sup>th</sup> December, 2019