



FUTURA
POLYESTERS
LIMITED

49TH ANNUAL REPORT 2008-2009

“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
M. D. Dalal
Viren Raheja
Shyam Sunder Sami
M. Saravanan Nominee IDBI
KVK Murthy
S. S. Marathe
P. Abraham, IAS (Retd.) Nominee IDBI
Vispi Patel
N. S. Ghia
K. Ramasubramanian
Neelam Kothari Nominee IDBI

Chairman & Managing Director
Jt. Managing Director

Up to 28/09/2008
Up to 08/09/2008
Up to 01/12/2008
Up to 04/12/2008
Up to 29/04/2009
Up to 02/04/2009

Company Secretary

S. Ramachandran

Bankers

Bank of India
State Bank of India
Union Bank of India
Indian Bank
UCO Bank
Canara Bank
State Bank of Hyderabad

Auditors

Messrs. N. M. Raiji & Co.

Registrar and Share Transfer Agents

Satellite Corporate Services Pvt. Ltd.
B-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

Registered Office

Paragon Condominium,
3rd Floor,
Pandurang Budhkar Marg,
Mumbai-400 013.
Phone 24922999 Fax 24923142
E-mail: futuraho@futurapolyesters.com
Website: www.futurapolyesters.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 49th ANNUAL GENERAL MEETING of the Members of FUTURA POLYESTERS LIMITED will be held at **Jai Hind College Auditorium, 'A' Road, Near Churchgate Station, Mumbai 400020 on Wednesday, 9th September, 2009 at 3.30 p.m.**, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the year ended 31st March 2009 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M.D. Dalal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shyam Sunder Sami, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. K. V. K. Murthy, an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, ("the Act") holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 and other applicable provisions, if any, of the Act, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies

Act, 1956 ("the Act") to the reappointment of Mr. Shyam B. Ghia as the Chairman & Managing Director of the Company, for a period of 5 (five) years with effect from 1st April, 2009 to 31st March, 2014 on the terms and conditions, including expressly the remuneration payable to him as Chairman & Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the explanatory statement and the Agreement entered into between the Company and Mr. Shyam B. Ghia, placed before this Meeting and for the purpose of identification initialled by the Chairman thereof.

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

"RESOLVED THAT the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the reappointment of Mr. Mukund D. Dalal as Joint Managing Director of the Company, for a period of 5 (five) years with effect from 1st April, 2009 to 31st March, 2014 on the terms and conditions, including expressly the remuneration payable to him as Joint Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the explanatory statement and the Agreement entered into between the Company and Mr. Mukund D. Dalal placed before this Meeting and for the purpose of identification initialled by the Chairman thereof.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Directors, who are proposed to be appointed/re-appointed are given below:

1.	Name:	Mr. Shyam B. Ghia
	Age:	62 Years.
	Qualifications	B. Sc. (Chem), M.B.A. Bowling Green State Uni., Ohio, U.S.A.
	Expertise:	Director since October 18, 1973.

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Directorship on the Board and Chairmanship/ Membership in Committees:

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) AVT Natural Products Limited (Audit Committee Member, Remuneration Committee Member) Innovassynth Technologies (India) Ltd., (Audit Committee Chairman), Innovassynth Investments Ltd.,

2.	Name:	Mr. Mukund D. Dalal
	Age:	51 Years.
	Qualifications	B. E. (Chemical), MIT, U.S.A.
	Expertise:	Director since January 01, 1988.

Directorship on the Board and Chairmanship/ Membership in Committees:

Futura Polyesters Ltd. (Investor Grievance Committee Member), Sonata Software Ltd. (Investor Grievance Committee Member), Actis Biologics Pvt. Ltd.

3.	Name:	Mr. Shyam Sunder Sami
	Age:	68 Years
	Qualifications	B.A. (Economics) Hons.
	Expertise:	Director since July, 2003.

Directorship on the Board and Chairmanship/ Membership in Committees:

Futura Polyesters Ltd. (Audit Committee, Remuneration Committee, Investor Grievance Committee-Chairman), Innovassynth Investments Ltd. (Audit Committee Chairman, Investor Grievance Committee Chairman), Innovassynth Technologies (India) Ltd., (Audit Committee Member, Remuneration Committee Member)

4.	Name:	Mr. K.V.K. Murthy
	Age:	67
	Qualifications	B. Sc. CAIIB
	Expertise:	Retd. Chief General Manager of RBI

Directorship on the Board and Chairmanship/ Membership in Committees: Futura Polyesters Ltd. (Audit Committee, Remuneration Committee -Member)

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

Place: Mumbai
Dated: 30th June 2009

By Order of the Board

S. Ramachandran
Company Secretary

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 a proxy need not be a member.
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 from 2nd September, 2009 to 9th September, 2009 (both days inclusive).
4. The relevant Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of items 5 to 7 of the Notice is annexed hereto.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No 5

Mr. K.V.K. Murthy was appointed with effect from 29th April 2009 by the Board of Directors as Additional Director. Pursuant to Section 260 of the Companies Act, 1956, ("the Act") and Article 114 of the Articles of Association of the Company. Mr. K. V. K. Murthy will hold office as Additional Director up to this Annual General Meeting. The Company has received a notice in writing along with deposit of Rs. 500/- from a member under Section 257 and other applicable provisions of the Act proposing Mr. K. V. K. Murthy's candidature as Director of the Company. The Board recommends his appointment.

Mr. K. V. K. Murthy, aged 67, holds a B. Sc. degree and CAIIB and retired from the Reserve Bank of India as Chief General Manager.

Mr. K. V. K. Murthy is deemed to be interested or concerned in the passing of this Resolution.

Item No 6 & 7

At the Annual General Meeting held on 28th day of September, 2004, the Members had approved the appointment of and remuneration payable to:

- (i) Mr. S. B. Ghia as Chairman & Managing Director of the Company for period of 5 years w.e.f. 1st April 2004.
- (ii) Mr. M. D. Dalal as Joint Managing Director of the Company for period of 5 years w.e.f. 1st April 2004.

The Board of Directors have approved, subject to the Members' approval, re-appointments of the Mr. S. B. Ghia as Chairman & Managing Director and Mr. M. D. Dalal as Joint Managing Director for the further period of five years on terms of appointment and remuneration which are summarised below.

	Mr. S. B. Ghia as Chairman & Managing Director	Mr. M. D. Dalal as Joint Managing Director
A) PERIOD	5 years w.e.f. 1st April 2009	5 years w.e.f. 1st April 2009
B) REMUNERATION	a) Rs.65,000/- p.m. as basic pay in the grade of Rs.50,000-5000- 1,00,000 with liberty to the	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.

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 1st 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/boarding and lodging expenses incurred at actuals;
- m) Personal accident insurance cover at the cost of the Company provided the actual premium thereof does

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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 sub section (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 re-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 & 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:
Paragon Condominium,
3rd Floor,
Pandurang Budhkar Marg,
Mumbai- 400 013.

Place: Mumbai
Dated: 30th June 2009

By Order of the Board

S. Ramachandran
Company Secretary

DIRECTORS' REPORT

To

The Members,

Yours Directors submit the 49th Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March 2009.

1. FINANCIAL RESULTS :

	(Rupees in Lacs)	
	2008-2009	2007-2008
Gross Profit before interest & depreciation	3,197.98	5,655.52
Interest	2,736.36	2,126.66
Depreciation	1,943.43	1,693.42
Operating Profit / (Loss)	(1,481.81)	1,835.44
Profit / (Loss) before tax	(1,486.89)	1,827.05
Excess Provision of earlier years	—	(1.17)
Provision for Fringe benefit tax	23.00	28.00
Provision for wealth-tax	2.00	2.00
Deferred Tax Adjustment	(575.36)	466.61
Provision for taxation	—	203.83
Profit / (Loss) after tax	(936.53)	1,127.78
Balance of Profit brought forward from previous year	2,192.35	1,064.57
Balance carried to Balance Sheet	1,255.82	2,192.35

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 2009 was Rs. 423.14 Crores compared with Rs.458.27 crores during the previous year. This fall in turn over was predominantly due to reduced exports of polymers due to the melt down in global economy during the year 2008-09 and the difficulty in competing with global resin prices due to delay in debottlenecking of the plant for reducing cost of production. Fibre business too suffered in exports volume on account of the recessionary global trend. However, preform business showed an improvement of 14% in volume, thanks to the improved domestic market demand coupled with the customers' confidence in Futura Preforms. The substantial fall in exports of

polymers was to some extent compensated by increased captive consumption of resin for preforms manufacture. The company suffered an Operating Loss of Rs.14.82 crores compared to an Operating Profit of Rs.18.35 crores during the previous year. Interest burden of Rs.27.36 crores (compared with Rs.21.27 crores during the previous year), forex impact of Rs.7.23 cores (due to Rupee depreciation against dollar), low capacity utilisation (due to reduced volume in polymers, resulting in higher manufacturing cost) and reduced exports (on account of recessionary global trend) are the major reasons for the set back in profitability. Further, the State of Tamilnadu faced a deficit in the power supply, resulting in introduction of 40% power cut from November 2008. To make matters worse, the availability of off-site contract power from Independent Power Producers also did not materialise as promised. This compelled the company to generate captive power at a substantially higher fuel cost impacting the

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company's profitability. The Net loss for the year stood at Rs.9.37 Crores against net profit of Rs.11.28 crores during the previous year.

Polyester staple fibre business has been steady as the company continued its thrust on specialty products. Though exports of fibre suffered due to global recession, there was an encouraging increase in the domestic demand for polyester fibre from the textile sector. Polyester resin segment has been facing a major pressure on volumes due to reduced exports on account of the global economic melt down and delay in plant debottlenecking for reducing manufacturing costs. Market has since started showing signs of a moderate recovery and the company is also taking steps to improve competitiveness through debottlenecking in the coming year with support from bankers. The company's continued R&D thrust for development of specialty products will help meet the challenge posed by market competition from both commodity and specialty players.

Preforms business has shown an encouraging growth of 14% over its previous year resulting in better utilisation of capacity. In order to reduce the dependence on commodity preforms the company plans to continue its thrust on specialty preforms for applications such as Small CSD/Barrier, Hot Fill Juices and Ketch up, Bulk Water Jars etc. The company's R & D team is active in continuous development of specialties in all segments of business.

The biomass boiler and the heater projects commissioned in 2007-08, helped the company to reduce the cost of steam generation and thermic fluid heating. The company's initiative on cost reduction on utilities and efforts on safety, health, environment and Human Resource Development and training are on track.

4. SCHEME OF ARRANGEMENT:

In pursuance of the order passed by the Hon'ble High Court, Bombay sanctioning the Scheme of Arrangement filed by the Company under Sections 391 to 394 of the Companies Act, 1956, the Company transferred, in accordance with the Scheme, the shares held in Innovassynth Technologies (India) Limited in favour of Innovassynth Investments Limited (IIL). IIL had in turn allotted five (5) equity shares of IIL against every eleven (11) equity shares held in the Company to those shareholders of the Company whose names appeared in the Register of Members as on the book closure dates. The relevant shares so allotted by IIL had been credited to the beneficiaries account of those holding shares in demat and share certificates have been sent to those holding

physical shares. IIL has since applied to Bombay Stock Exchange Limited for listings its equity shares.

5. RIGHTS ISSUE OF EQUITY SHARES

The Draft Letter of Offer in respect of the issue of 2,62,10,839 equity shares of Rs. 10/- each at par aggregating to Rs.26,21,08,390 on Rights basis was filed with the Bombay Stock Exchange Limited and Securities & Exchange Board of India (SEBI). The Company has received the comments/observations from SEBI and a final decision on the issue will be taken by the Board at the appropriate time.

6. FIXED DEPOSITS AND LOANS

As on 31st March 2009, the Company had an aggregate sum of Rs.415.77 lacs as fixed deposits from Public / Shareholders. The total number of depositors who have not claimed / renewed their deposits on maturity was 120 and the amount that remained unclaimed / not renewed as on 31st March 2009 was Rs.26.19 Lacs of these, deposits amounting to Rs.2.65 lacs have since been either repaid or / renewed.

7. INSURANCE:

Adequate insurance cover has been provided for the buildings, plant and machinery and Inventories at the factory of the Company.

8. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to this report.

9. 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, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

10. INDUSTRIAL RELATIONS:

Industrial relations remained by and large cordial throughout the year. The Directors wish to place on record their appreciation for the co-operation extended by the workmen, staff and officers at all levels.

11. DIRECTORS:

Since the last Annual General Meeting, Mr. S. S. Marathe, who had been a Director of the Company for the past 22 years passed away. The Board places on record its appreciation and gratitude to Mr. S. S. Marathe for the advice, guidance and assistance rendered to the Company during his long tenure as Director of the Company. Mr. Vispi Patel, Mr. N. S. Ghia and Mr. K. Ramasubramanian resigned from the Board for personal reasons. The Board places on record its appreciation and gratitude to these Directors for the contribution made during their tenure as Directors. Mr. K. V. K. Murthy was appointed as Additional Director on the Board and will hold office until the forthcoming Annual General Meeting and being eligible offers himself for reappointment. IDBI Bank Limited has changed the nominee director and in place of Mr. P. Abraham, Mrs. Neelam Kothari was appointed as Director for some time and in place of Mrs. Neelam Kothari, Mr. M. Saravanan is appointed as nominee Director.

The tenure of Mr. S. B. Ghia as Chairman and Managing Director and Mr. M. D. Dalal as Joint Managing Director expired on 31st March 2009. The Board of Directors have reappointed them, subject to the approval of Members at the General Meeting, for further period of five years on the same terms and conditions.

Mr. Shyam S. Sami and Mr. M. D. Dalal, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

A brief profile of the Directors proposed to appointed are given in the notes of the Notice of the ensuing Annual General Meeting.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirements under Section 217 (2AA) 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 judgements 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 March, 2009 and of the loss of the Company for the year 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.

13. AUDITORS :

You are requested to appoint auditors for the current year. M/s. N.M. Raiji & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting, are eligible for reappointment.

14. COST AUDITOR :

The Central Government had directed that audit be carried out of the Cost Accounts maintained by the Company in respect of Polyesters by a qualified Cost Accountant. The Directors, subject to the approval of the Central Government, have appointed Mr. M. Krishnaswamy of Chennai as Cost Auditor.

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. COMPLIANCE CERTIFICATE:

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49-of the Listing Agreement is attached to this report.

17. ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation for the continuous support received from the Shareholders. Your Directors also express their appreciation for the assistance and co-operation received from the Governments at the Centre as well as the States, local authorities, Financial Institutions and Banks and employees of the Company during the period under review

For and on behalf of the Board

Place: Mumbai
Dated: 20th June, 2009

S. B. GHIA
CHAIRMAN

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ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR 2008-09

A. CONSERVATION OF ENERGY

1. Actions taken

- Biomass Steam Boiler project for Fibre production and PET chips production is commissioned and it is meeting the plant heat load requirements.
- Heat energy cost is reduced significantly.
- VAM – Waste heat recovery chiller has been commissioned and 190 TR has already been recovered from Biomass waste heat.

2. Additional Investment under implementation

- Emergency drain tank for Dowtherm heater operation is being commissioned during 1st half of 2009-10.

3. Energy saving activities Plan 2009-10

- Additional waste heat recovery from Biomass operations is being envisaged during 2009-10.
- Commissioning of Hot water based 550 TR VAM is planned to reduce the impact of Power-cut expected during 2009-10 also.
- As a long-term measure, supply of various sources of power like wind power, Biomass heat, etc., from private parties are being arranged either as a joint venture participation or on regular purchase agreement.

Form A

B. FORM OF DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY

I POWER AND FUEL CONSUMPTION

	Current Year 2008-09	Previous Year 2007-08
1) Electricity:		
- Unit [Kwh] in lacs	629.06	756.57
- Total amount [Rs. In lacs]	2574.13	3119.38
- Rate per unit - Rupees	4.09	4.12

2) Furnace Oil

- Quantity [KL/MT]	5720.68	8839.20
- Total amount [Rs. In lacs]	1168.66	1646.81
- Average rate [Rs. Per Kg]	20.43	18.63

II CONSUMPTION PER UNIT OF PRODUCTION

	Current Year 2008-09	Previous Year 2007-08
--	-------------------------	--------------------------

Name of product

Electricity kwh/kg

i) Polyester Staple Fibre	1.25	1.17
ii) Resin	0.61	0.63
iii) Preforms	1.34	1.40
Average	1.06	1.07

Furnace Oil [KL/MT]

i) Polyester Staple Fibre	0.10	0.15
ii) Resin	0.10	0.14
Average	0.10	0.14

BIOMASS

	Current Year		Previous Year	
	MT	Spec. Cons	MT	Spec. Cons
i) Polyester Staple Fibre	25803	0.89	18810	0.61
ii) Resin	2560	0.09	946	0.12
iii) Preforms	—	—	—	—
Average		0.49		0.36

Form B

(See Rule-2)

FORM FOR DISCLOSURE ON PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

1) RESEARCH & DEVELOPMENT (R&D)

- a) Received six Patents for various polyester resins – Four Indian patents (Futura ETP, Futura Green PET, Fast PET and Futura Eco PET), one European patent (Futura PETOS) and one US patent (Futura Fast PET).
- b) Developed Polyester resin for monofilaments which are used to make paper felts.

- c) Developed halogen free, phosphorous based flame retardant polyester resin for master batch and fibre applications.
- d) Developed additional shades in dope dyed polyester.
- e) Process modification to increase the productivity in fibres.

1) Benefits Derived as a result of the above

- a. Company's IPR valuation is enhanced.
- b. Wider market opportunities for resin and fibres.
- c. Improved quality and productivity / lower cost
- d. Wider product mix for Polymers
- e. Broad- basing the customers for Fibres.
- f. Conservation of natural resources for downstream processors of Fibres.

2) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

a) Technology Upgradation

- 1. Filtration technology improved in CP line.
- 2. Introduction of flash tanks for steam recovery in process lines.
- 3. Improvements in waste water recycling for value addition.
- 4. Biomass based thermic heaters.

Adaptation

Company continues to develop and adapt new process and product technologies through a system of training and development.

b) Benefits derived as a result of the above

Increase in the number of products and customer base.

Water conservation by recycling for value added service.

Better compliance with environment.

Conservation of natural resources at our end as well as at our customers.

3) IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST 5 YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR) FOLLOWING INFORMATION MAY BE FURNISHED:

- a) Technology imported : NIL
- b) Year of Import : NA
- c) Has technology been fully absorbed : Not Applicable
- d) If not fully absorbed, areas where this has taken place, reason therefore & future plans of action : Not Applicable

EXPENDITURE ON R & D

(Rupees in Lacs)

Capital	Nil
Recurring	51.81
Total	51.81
Percentage of Turnover	0.12

FOREIGN EXCHANGE EARNING & OUTGO:

(Rupees in Lacs)

Foreign Exchange Earning	8,965.72
Foreign Exchange Outgo	14,380.45

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT : 2008-09

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is engaged in the manufacturing and marketing of Polyester products namely Polyester Fibres, Polyester Polymers and PET Preforms. The strategic corporate focus has all along been on manufacture and sale of "Value Added and Specialty products", in each one of the areas.

The global economic downturn, particularly the crash in demand in the US and European economies, has severely impacted the overall demand for fabrics and garments and consequently the polyester yarns and fibres in those markets and to a lesser extent in India/Asia. The production and sale of man-made fibres, including Polyester Staple Fibre (PSF), has taken a severe beating in Asia which is the global production base. Textile Mills consumption in India and China has particularly been affected, compounded by the surge in Cotton production and prices getting lower. Global recession impacted the consumption of fibres in all markets to a lesser extent than other commodities. Especially in the domestic sector, fibres demand has shown some positive growth, though the rate of growth has fallen steeply. In particular, the demand for specialty fibres has been relatively and reasonably satisfactory. Demand for Black Fibres has been even better and the demand for other specialties is also improving due to the willingness of customers to look at non branded, cheaper alternatives. The market situation in respect of Specialty Fibres has thus benefited the Company.

Polyester Resin's (PET) growth on the global level has turned almost flat in the export market with several segments reporting a negative growth in beverage packaging and food packaging. Large capacities created recently, had resulted in severe competition in US and EU markets. Several units have closed down in Europe. Market prices tumbled after the unprecedented increase in crude price during the year under review which had earlier led to rise in price of petrochemical derivatives. PET resin business in most countries is suffering a decline in margins. India has been exception, atleast in respect of Multinational companies (MNC) beverage and packaged water producers. Domestic demand saw a growth of 20% average during the season which is a robust performance. This was however neutralised by the fact that domestic polymer capacity went up steeply due to the entry of another major player, with more than 60% of domestic capacity still targeting exports.

PET Preform business is growing at a steady pace, partly aided by the MNC's strategy of switching from

glass to PET and partly due to the success of juice packaging in PET. This trend is expected to continue for 1 or 2 more years.

2. OPPORTUNITIES AND THREATS

Opportunities remain favourable for the "Specialty Polyester products" in all the segments as the company has been able to maintain its strong market position and its acceptance with customers for these products. The Company is well poised to retain the 'niche' in highly competitive and yet rewarding market for these Specialty products in all the product groups.

Demand for Black Fibre and newer grades of specialty fibres remains robust which offers a good opportunity to Fibre business. Polymer Product development initiatives in the areas of high heat container applications, thermo-forming specialties and engineering thermo plastics continued to provide opportunities in the year under review and this is expected to grow in volume in coming years. The increasing export market for the specialty PSF and the worldwide acceptance of company's specialty products especially using recycled raw material by two major European customers qualifying our resin for 2010, is encouraging for the future. The Preform market is witnessing a boom which is expected to continue due to thrust of MNC brands on Indian market, in the light of a low per capita consumption base in respect of carbonated beverages, juices and water and their continuing shift in favour of PET packaging. Market for Juices and water (including bulk water) in PET packaging is growing in the non MNC segments too.

Despite the seemingly buoyant domestic market, the major concern about the global recession remains as it will impact the operations. This will be particularly relevant for the Export Oriented Polymer business. Even the Preform business will be under price pressure due to the entry of a large number of small players. The 40% power cut imposed by Tamil Nadu Government and the failure of Off Site Gas based Power Supply arrangement has posed a major challenge to the company's operations in the coming years. The company has managed to put in place a contingency plan with alternative Bio-Mass/Wind based off site power but uncertainties in Government policy and grid supply, remain a serious challenge.

3. PERFORMANCE

Polyester Fibre sales during the year decreased marginally by 6.25%. This, coupled with the higher cost of imported raw materials due to impact of crude prices in the first half and the higher cost of utilities due to power cut, resulted in lower contribution from Polyester

Staple Fibre . However, the substantial share of specialties particularly in colour fibre and better export realisation, resulted in reducing the negative impact.

Polyester Resin sales decreased by 20.55% over the previous year mainly on account of reduced exports as a result of the global melt down. The delay in plant debottlenecking and major repairs and maintenance limited the ability to cater to the product mix requirements and meeting the manufacturing cost targets. While the Company's specialty polymers for exports continued to grow albeit at a slower pace, the increased captive consumption for the domestic Preform business compensated to a major extent in reducing the deficiency in volume during the year. The polymer segment suffered a significant increase in manufacturing cost and erosion of profit margin due to poor capacity utilisation.

Preform business showed growth in volume and value, thanks to significant improvement in market demand and the continuing confidence of the MNC customers.

The turnover of the Company during the year ended 31st March 2009 was Rs.423.14 Crores compared to Rs.458.27 Crores during the previous year. The fall in turnover is marginal at 7.66% in spite of a 30% fall in Raw Material and Selling prices and a continuing global recession through most part of the year. The higher cost of energy due to the shortfall in availability of off-site power, TNEB power cut, depreciation of Rupee against US Dollar resulting in forex loss (Rs.7.23 Crores), higher interest burden, lower volume, especially in Polymers have all contributed to the net loss of Rs.14.87 crores.

4. OUTLOOK

The out look for polyester Fibre business is encouraging. This market has shown some signs of recovery during the last two months. The Company's specialty products are expected to continue to grow in volume. R&D efforts are 'ON' to add more coloured Fibres as well as specialties like Flame Retardant, Cationic Dyeable Polyesters, High Shrink, Engineering fibres etc. The Company's batch processing facility will be of great help to develop more and more specialty fibres.

In respect of polymers the export sentiment is definitely down, whereas the domestic demand is growing, but so is competition, compounded by excess capacity in India. The Company is confident of improving its capacity utilisation and market share in the coming years with better focus on Recycling and specialty portfolios and selective debottlenecking. With the signs of global economic revival, commodity resin exports are also expected to grow. Polymers will continue to focus more on niche products such as PCRPET, Thermoforming Specialities, PBT, Jarpet, Clear Fast

Reheat, Hot fill Juice resin etc. thus consolidating its position further as a specialty player in the resin market.

Outlook for the PET Preform business remains encouraging with the company's satisfactory order book position. The growth in Preform market requires additional capacity and your company is looking into prospects of adding machines during the year. Here again, the company will continue to emphasise on specialty products like small CSD, Hot Fill juices and Jarpet For bulk water packaging.

In order to tide over the power crisis in Tamil Nadu, the Company has tied up with new private power manufacturers (Wind power / biomass power) so that the production capacity is fully supported on power front.

5. RISKS & CONCERNS

Competition is severe in the market place for commodity Polymers, commodity Preforms and commodity Fibres. In spite of its strength in development and manufacture of specialties, the prices of specialties are expected to show a reducing trend as these are all linked to commodity product prices. The interest burden, past debts and unpredictable power situation in Tamil Nadu continue to remain areas of concern. The company's steps in contracting power in different mix, efficient running of Biomass boilers and heaters would help to reduce the energy cost in the coming years even as the company is considering several options to improve the power supply.

6. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Audit Committee set up by the Board reviews periodically the internal audit reports submitted by the internal auditors. The internal auditors, cost auditor and statutory auditors are invited to the Audit Committee Meetings to interact directly with Audit Committee Members. The Company has adequate internal control systems commensurate with its size and operations.

7. DISCUSSION ON FINANCIAL PERFORMANCE

The year 2008-09 ended with an Operating Loss of Rs.14.82 Crores (as compared with Operating Profit of Rs.18.35 Crores incurred during the last year). The net turnover (including other income) during the year was Rs.389.40 Crores (compared with Rs.426.58 Crores during the previous year). The current ratio is 1.28 compared with 1.26 last year.

8. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Industrial Relations remained cordial throughout the year. The number of permanent employees on roll of the Company is 792.

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CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09

As required under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited, the report on Corporate Governance is given below:

1. Company's philosophy on Code of Corporate Governance:

Our Company is committed to achieving high standards of corporate governance recognising the fact that management is accountable to all stakeholders for good governance. Some of the essential elements of good governance are fairness, ethics, transparency, accountability and responsibility.

Consistent with this commitment, our Company's practices and policies continue to meet the above attributes in all spheres of production, operations and services.

World over corporate governance structures are dynamic, evolve over a period of time and keep changing in the light of new developments. Ours too is an ever-evolving process. We will make every effort in raising the standards of corporate governance and will constantly review systems and procedures in order to keep pace with the changing economic environment.

2. Board of Directors:

(a) Composition of Board:

The Board of Directors comprises of 6 Directors of which 2 are Executive and 4 are non-executive Directors. Directors include Chairman & Managing Director and a Nominee Director from IDBI Bank Ltd.

The Directors are eminent industrialists / professionals with experience in industry / business / finance and bring with them the reputation of independent judgment and experience, which they exercise, and also satisfy the criteria of independence. However, the Board of Directors, adopting a more exact view, has decided to treat only the directors, as indicated in para 2(b) below as independent directors.

(b) Number of Board Meetings:

Six Board Meetings were held during the year on 15/04/2008, 30/05/2008, 30/07/2008, 20/08/2008, 28/10/2008, 31/01/2009.

Details of Directors of the Company as on the date of this report.

Name of the Director	Category of Director	No. of other Directorship in other Boards	No. of membership of other Board Committees	No. of Chairmanship of other Board Committees	No. of Board Meetings Attending the year ended 31.3.2009	Attendance at last AGM
Mr. S. B. Ghia	EP	5	4	3	5	Present
Mr. M. D. Dalal	EP	1	2	Nil	6	Present
Mr. N. S. Ghia*	NE	Nil	Nil	Nil	1	Present
Mr. Shyam Sunder Sami	NEI	2	2	2	6	Present
Mr. S. S. Marathe**	NEI	9	8	2	1	Absent
Mr. Prathipati Abraham***	NEI	9	Nil	1	2	Present
Mr. Vispi Patel+	NEI	Nil	Nil	Nil	3	Present
Mr. Viren Raheja	NE	4	0	0	3	Absent
Mr. K. Ramasubramanian++	NEI	2	0	0	4	Absent
Ms. Neelam Kothari+++	NEI	Nil	Nil	Nil	1	NA
Mr. K. V. K Murthy#	NEI	Nil	Nil	Nil	NA	NA
Mr. M. Saravanan##	NEI	Nil	Nil	Nil	NA	NA

E-Executive, NE-Non-executive, P-Promoter, I-Independent

*Ceased as Director from 4th Dec, 2008

**Ceased as Director from 28th September, 2008

***Ceased as Director from 08th September, 2008

+Ceased as Director from 01st December, 2008

++Ceased as Director from 29th April, 2009

+++Ceased as Director from 02nd April, 2009

Appointed as Director from 29th April, 2009

Appointed as Director from 02nd April, 2009

c) Details of Directors seeking Re-appointment as required under clause 49 IV (G) (i) of the Listing Agreement entered into with the Stock Exchange:

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/reappointed are given in the Notes to the Notice on page no. 6 & 7.

d) Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company which is posted on the website of the Company.

All Board members and senior management personnel have affirmed compliance with the code on an annual basis. A declaration to this effect signed by the CEO forms part of this Annual Report.

3. Committees of the Board

3.1 Audit Committee:

The Audit Committee constituted in accordance with the Listing Agreement comprises of Mr. K. V. K. Murthy, Mr. M. Saravanan and Mr. Shyam Sundar Sami, who is Chairman of the Committee.

a) The Terms of reference:

The terms of reference of the Audit Committee include the matters specified under Clause 49 (II) (D) of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

b) Composition and Category:

The Company has complied with the requirements of Clause 49 (II) (A) as regards the composition of the Audit Committee.

The Audit Committee is in existence since 1986 and presently comprises of 3 directors. All its present members are Non-executive Independent directors and amongst them Mr. M. Saravanan is nominee Director IDBI Bank Ltd. Mr. S. B. Chatterjee, Executive Director President Finance of the Company, a representative of Statutory Auditors and Cost Auditors are invited to attend its meetings. Mr. S. Ramachandran Company Secretary acts as the Secretary of the Committee.

c) Number and attendance at each Audit Committee Meetings:

During the financial year 2008-2009 Four Audit Committee Meetings were held; the dates of the meetings were 30th May, 2008, 30th July, 2008, 28th October, 2008, 31st January, 2009. The attendance of members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. S. S. Sami	Chairman	4
Mr. K. V. K Murthy	Member	NA
Mr. M. Saravanan	Member	NA
Mr. S. S. Marathe*	Member	1
Mr. Vispi Patel**	Member	1
Mr. Viren Raheja***	Member	2
Mr. K. Ramasubramanian#	Member	2
Mr. P. Abraham##	Member	Nil

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*Ceased as Director from 28th September, 2008.

**Ceased as Director from 01st December, 2008.

***Ceased as Member from 31st January, 2009.

#Ceased as Director from 29th April, 2009.

##Ceased as Director from 08th September, 2008.

3.2 Remuneration Committee:

a) Terms of reference:

To periodically review in accordance with law the remuneration packages of executive whole-time directors and recommends suitable revision to the Board.

b) Composition and Category:

The remuneration committee has Three directors; all are non-executive independent directors. viz; Mr. K. V. K. Murthy, Mr. M. Saravanan, Mr. Shyam Sunder Sami (Chairman).

c) Number and attendance at each Remuneration Committee Meetings:

One meeting was held during the year, on 18th March, 2009 and no revision is made in Managerial Remuneration during the year.

d) Remuneration policy:

The remuneration policy takes into account Company's financial position, the grade and the position held by the incumbent concerned and his overall performance.

Remuneration of Executive Directors as per Accounts for the financial year ended 31st March 2009.

Executive Directors	All elements of remuneration package i.e. salary, benefits, bonuses, pension etc. (In Rupees)	Fixed component and performance linked incentives along with the performance criteria (In Rupees)	Service contracts notice period, severance fees	Stock option details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable
S. B. Ghia	11,15,504	1% commission of net profits *	Please see Note 'a' and 'c'	Please see Note 'b'
M.D.Dalal	12,87,411	1% commission of net profits *	Please see Note 'a' and 'c'	Please see Note 'b'

Notes:

(a) The Service contracts in case of Mr. S. B. Ghia, Mr. M. D. Dalal is for a period of 5 years from 01.04.2004 to 31.03.2009.

(b) Presently the Company does not have any Stock Option Scheme.

(c) In the case of Mr. S. B. Ghia & Mr. M. D. Dalal, 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.

*(d) No Commission is paid for the year under review.

(e) Interest credited to Mr. M. D. Dalal's Account Rs.1.87 Lacs on Fixed Deposits kept by Mr. Dalal with the Company.

Remuneration of Non-executive Directors as per Accounts for the financial year ended 31st March 2009.

Name of Directors	Relationship with other Directors	Sitting fees of Board/ Committee meetings (Rs.)
Mr. Shyam Sunder Sami	—	50,000
Mr. S. S. Marathe	—	10,000
Mr. Prathipati Abraham	—	10,000
Mr. Vispi Patel	—	15,000

Mr. Viren Raheja	—	25,000
Mr. K Ramasubramanian	—	30,000
Ms. Neelam Kothari(IDBI)	—	5,000
Mr. K. V. K. Murthy	—	—
Mr. M. Saravanan	—	—
Mr. N. S. Ghia	Mr. S. B. Ghia	5,000

Company has provided for the year Rs.153.15 Lacs interest on Fixed deposits kept by one past Director with the Company.

The shares held by Non-Executive Directors in the Company as on 31st March, 2009 are as follows. **NIL**

3.3. Shareholder's Information & Investor's Grievance Committee

The Committee reviews and deals with complaints and queries received from the investors. It also reviews and deals with responses to letters received from the Ministry of Company Affairs, the Stock Exchanges and Securities and Exchange Board of India.

The Shareholders/Investors Grievance Committee comprises of three (3) members, Mr. Shyam Sunder Sami Chairman of the Committee and Mr. S. B. Ghia, Mr. M. D. Dalal, are the member of Committee.

The Company Secretary Mr. S. Ramachandran functions as the Secretary of the Committee. During the financial year ended March 31, 2009, meetings of the Shareholders / Investors Grievance Committee were held on April 17, 2008, July 15, 2008, October 27, 2008 and January 31, 2009.

Attendance at Shareholders/Investors Grievance Committee Meetings:

Name of the member	No. of Meetings attended
Mr. S. B. Ghia	3
Mr. S. S. Sami	2
Mr. M. D. Dalal	4
Mr. N. S. Ghia*	1

*Ceased to be Director form 4th December, 2008.

The status of the complaints received from investors is as follows:

Shareholders' / Investors' Complaints

Particulars of Complaints	No. of Complaints
Complaints pending as on April 1, 2008	Nil
Complaints received during 2008-2009	22
Complaints identified and reported under Clause 41 of the Listing Agreement	22
Complaints disposed off during the year ended March 31, 2009	22

The Board has designated Mr. S. Ramachandran, Company Secretary, as the "**Compliance Officer**".

Satellite Corporate Services Pvt. Ltd. is our Registrar and Share Transfer Agents.

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4. General Body Meetings:

Location and time of last three Annual General Meetings and Extraordinary General Meetings of the Company:

Financial year	Date	Location of the meeting	Time
Annual General Meetings			
2005-2006	20 th September, 2006	Patkar Hall, S. N. D. T. University, 1 Nathibai Thackersey Road, Mumbai 400 020	3.30 p.m.
2006-2007	19 th September, 2007	Jaihind College Auditorium "A" road, Churchgate, Mumbai 400 020	3.00 p.m.
2007-2008	20 th August, 2008	Patkar Hall, S. N. D. T. University, 1 Nathibai Thackersey Road, Mumbai 400 020	2.30 p. m.
Extraordinary General Meetings			
2005-2006	8 th April, 2005	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd Floor, 18/20 K. Dubash Marg, Mumbai - 400 001	2.30 p.m.
Court Convened General Meeting	15 th April, 2008	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd Floor, 18/20 K. Dubash Marg, Mumbai - 400 001	11.00 a. m.

No Special Resolution/Postal Ballot passed in last three Annual General Meeting.

5. Disclosures:

Disclosure on Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have material conflict with the interest of the Company at large.	Details are provided in Note no. 20 under Schedule 18 to the Notes forming part of the Accounts in accordance with provisions of Accounting Standard 18.
Details of non-compliance by the Company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years.	None in last three years.
Disclosure of Risk management	The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
Disclosure of Accounting Standards	The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the financial statements.

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

6. CEO / CFO Certification:

Certificate from Mr. S. B. Ghia, Chairman & Managing Director and Mr. S. B. Chatterjee, Chief Financial Officer in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchange/s for the financial year ended 31st March, 2009 was placed before the Board of Directors of the Company in its meeting held on 30th June 2009.

7. Means of Communication:

Quarterly Results.	No. The results of the Company are published in newspapers as per the Listing Agreement as well as on Company's website.
Any website, where displayed.	www.futurapolyesters.com
Email – id for investors Grievance	Investorrelations@futurapolyesters.com
Whether it also displays official news releases.	No.
The presentations made to Institutional Investors or to the analysts.	No presentations were made to institutional investors or to the analysts during the year under review.
Newspapers in which results are normally published in.	Free Press Journal/Navshakti
Whether MD&A is a part of Annual Report or not.	Management Discussion and Analysis Report forms part of this Annual Report.

8. General Shareholder Information:

AGM: Date, Time and Venue	09th Sept. 2009 at 3.30 P.M at Jai Hind College Auditorium, 'A' Road, Near. Churchgate Station, Mumbai – 400 020.
Financial Calendar	<ol style="list-style-type: none"> 1. April to March. 2. First Quarterly Result – Last week of July 3. Half yearly Result – Last week of October 4. Third Quarterly Result – Last week of January 5. Fourth Quarterly Result – June (Audited).
Date of Book Closure	Wednesday 2nd September, 2009 to Wednesday 9th September, 2009. (both days inclusive)
Dividend payment date	N.A.
Listing on Stock Exchange	Bombay Stock Exchange Limited.
Stock Code (Physical & Demat)	500720

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Monthly Highest & Lowest Closing quotations of the Equity shares for the year 2008-2009. Bombay Stock Exchange Limited

Year	Month	High		Low		
		Rate (Rs.)	Date	Rate (Rs.)	Date	
2008	April	24.95	02/04/2008	20.50	08/04/2008	
	May	34.90	13/05/2008	21.65	05/05/2008	
	June	30.00	02/06/2008	19.40	25/06/2008	
	July	33.95	28/07/2008	12.45	29/07/2008	
	August	13.80	01/08/2008	9.11	29/08/2008	
	September	11.44	16/09/2008	7.50	30/09/2008	
	October	8.94	01/10/2008	4.89	31/10/2008	
	November	6.00	10/11/2008	3.61	28/11/2008	
	December	6.00	17/12/2008	4.00	01/12/2008	
	2009	January	5.35	02/01/2009	3.33	29/01/2009
		February	4.41	16/02/2009	3.40	27/02/2009
		March	4.90	30/03/2009	3.10	12/03/2009

SENSEX information for the period April 2008 to March 2009.

Month	SENSEX			
	Open	High	Low	Close
April, 2008	15,771.72	17,480.74	15,297.96	17,287.31
May, 2008	17,560.15	17,735.70	16,196.02	16,415.57
June, 2008	16,591.46	16,632.72	13,405.54	13,461.60
July, 2008	13,480.02	15,130.09	12,514.02	14,355.75
August, 2008	14,064.26	15,579.78	14,002.43	14,564.53
September, 2008	14,412.99	15,107.01	12,153.55	12,860.43
October, 2008	13,006.72	13,203.86	7,697.39	9,788.06
November, 2008	10,209.37	10,945.41	8,316.39	9,092.72
December, 2008	9,162.94	10,188.54	8,467.43	9,647.31
January, 2009	9,720.55	10,469.72	8,631.60	9,424.24
February, 2009	9,340.37	9,724.87	8,619.22	8,891.61
March, 2009	8,762.88	10,127.09	8,047.17	9,708.50

Registrar and Transfer Agents

Satellite Corporate Services Pvt. Ltd.

B-301, Sony Apartments, Opp St. Jude's High School,
Off Andheri - Kurla Road, Jarimari, Mumbai - 400 072.

Phone: 28520461, 28520462

Fax: 28511809. E-mail: service@satellitecorporate.com

Collection Centre:

Shop No.9, 66/74, Chandanwadi,

Near Marine Lines Station,

Mumbai - 400 002.

Share Transfer System

Transfer of shares held in physical mode is processed by M/s Satellite Corporate Services Pvt. Ltd. and approved by the Company Secretary and Jt. Managing Director pursuant to the powers delegated to them by the Board of Directors of the Company.

The total numbers of share transfers during the year were 34,693 with an average interval of 30 days between approvals.

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009

Share holding of Nominal value of		Shareholders		Share Amount		
Rs.	Rs.	No. of shareholders	% of shareholders to total	Number of Shares	Nominal value of shares Rs.	% of share amount to total
Upto	- 5,000	33,493	83.77	47,43,743	4,74,37,430	9.05
	5,001 - 10,000	3,360	8.40	27,34,943	2,73,49,430	5.22
	10,001 - 20,000	1,606	4.02	24,08,464	2,40,84,640	4.59
	20,001 - 30,000	517	1.29	13,15,900	1,31,59,000	2.51
	30,001 - 40,000	217	0.54	7,76,729	77,67,290	1.48
	40,001 - 50,000	197	0.49	9,35,031	93,50,310	1.78
	50,001 - 1,00,000	294	0.74	21,82,179	2,18,21,790	4.16
	1,00,001 and above	296	0.75	3,73,24,690	37,32,46,900	71.21
TOTAL		39,980	100.00	5,24,21,679	52,42,16,790	100.00

Shareholding pattern as on 31.03.2009:

	Category	No. of shares held	Percentage of shareholding
1	Promoter holding (including persons acting in concert)	2,03,88,092	38.89
2	Institutional Investors/ Mutual Funds / Banks / FIs	31,67,533	6.04
3	Others		
	Indian Public	2,24,83,578	42.89
	Private Corporate Bodies	28,21,731	5.38
	NRIs / OCBs	35,16,911	6.71
	Foreign Bank	7,353	0.02
	Any other (Clearing Member)	36,481	0.07
	GRAND TOTAL	5,24,21,679	100.00

Dematerialization of shares and liquidity

89.87% of the value of the paid-up Share Capital comprising of 4,71,12,340 no of shares have been dematerialised as on March 31, 2009.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

Nil

Plant Location

Manali, Chennai in the State of Tamil Nadu

Address for Correspondence

Futura Polyesters Limited, Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Worli, Mumbai 400 013

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Declaration – Code of Conduct

All Board members and senior management personnel have, for the year ended 31st March, 2009, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the clause 49 of the Listing Agreement entered with the Stock Exchanges.

For **Futura Polyesters Limited**

Place: Mumbai
Date: 30th June, 2009

S. B. Ghia
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of **FUTURA POLYESTERS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **FUTURA POLYESTERS LIMITED** for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the condition of the certificate of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the reports issued by the Registrars of the Company to the Shareholders/Investor Grievance Committee, as at 31st March, 2009, there were no investor grievances remaining unattended/pending for more than 30 days.

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

For N. M. RAIJI & CO.,
Chartered Accountants

Y. N. THAKKAR
Partner

Place: Mumbai
Dated: 30th June, 2009

Membership No. 33329

FUTURA FUTURA POLYESTERS LIMITED

FIVE YEARS' FINANCIAL REVIEW

(Rupees in Lacs)

	2004-05	2005-06	2006-07	2007-08	2008-09
Gross Sales & Services	52,350.26	52,138.73	56,328.40	45,827.10	42,313.94
Net Sales (Net of Excise)	47,393.84	47,115.19	51,706.42	41,362.76	37,888.38
Gross Profit / (Loss) Before Depreciation, Investment Allowance Reserve & Taxation	2,205.95	527.70	3,284.73	3,520.47	456.54
Depreciation	1,472.89	1,481.75	1,570.98	1,693.42	1,943.43
Profit / (Loss) Before Taxation	733.06	(954.05)	1,713.75	1,827.05	(1,486.89)
Provision for Taxation	—	—	192.28	203.83	—
Provision for Wealth Tax	2.29	2.00	2.00	2.00	—
Provision for Fringe Benefit Tax	—	43.00	23.00	28.00	23.00
Deferred Tax Adjustment	370.33	140.74	433.94	466.61	(575.36)
Excess Provision of Earlier Years	—	—	—	(1.17)	—
Profit / (Loss) After Taxation	360.44	(1,139.79)	1,062.53	1,127.78	(936.53)
Assets:					
Gross Fixed Assets	40,597.42	42,311.84	44,413.64	62,466.73	65,967.83
Depreciation	19,071.16	21,438.63	23,776.81	25,997.55	28,662.85
Net Fixed Assets	21,526.26	20,873.21	20,636.83	36,469.18	37,304.98
Investments	2,578.91	2,378.91	2,381.22	2,621.11	448.76
Deferred Tax Asset	1,115.87	975.13	541.19	74.57	649.94
Current Assets, Loans and Advances	15,081.57	16,422.19	16,462.81	20,043.34	17,674.58
Total Assets	40,302.61	40,649.44	40,022.05	59,208.20	56,078.26
Liabilities and Provisions:					
Current Liabilities and Provisions	11,538.49	12,611.99	11,871.57	15,849.68	13,832.16
Bank Overdraft	4,115.17	4,239.10	3,993.18	3,940.72	3,930.26
Short Term Loans and Deposits	5,452.95	4,662.89	4,437.61	4,327.35	6,673.21
Long Term Borrowings	5,619.42	6,234.90	6,610.93	7,644.70	8,385.76
Total Liabilities and Provisions	26,726.03	27,748.88	26,913.29	31,762.45	32,821.39
NET WORTH:					
Represented by:					
Share Capital	4,835.59	5,242.17	5,242.17	5,242.17	5,242.17
Reserves and Surplus	8,962.07	7,725.56	7,880.36	22,213.93	18,019.97
Less: Miscellaneous Expenditure	221.08	67.17	13.77	10.35	5.27
Shareholders' Funds:	13,576.58	12,900.56	13,108.76	27,445.75	23,256.87
General:					
% of Profit / (Loss) Before Taxation to Net Sales	1.55	(2.02)	3.31	4.42	(3.92)
% of Profit / (Loss) After Taxation to Net Sales	0.76	(2.42)	2.05	2.73	(2.47)
Earning / (Loss) per Equity Share (Rs.)	0.75	(2.17)	2.03	2.15	(1.79)
Current Ratio	1.31	1.30	1.39	1.26	1.28
Liquid Ratio	0.96	0.97	1.04	1.01	1.00
Debt/Equity Ratio	0.38	0.45	0.48	0.28	0.35

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AUDITORS' REPORT

To the Members of FUTURA POLYESTERS LIMITED

1. We have audited the attached Balance Sheet of **Futura Polyesters Limited**, as at March 31, 2009 and also the Profit and Loss Account and the Cash flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit;
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion;
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the Books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable;
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the requirements of the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read with the Notes there on, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - ii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii. In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

For N. M. Raiji & Co.,
Chartered Accountants

Y. N. THAKKAR

Partner

Place: Mumbai

Date : 30th June 2009

Membership No. 33329

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

- (i) (a) The Company was maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets in Computer system. Consequent to failure in the computer system, the record of its fixed assets have not been updated;
- (b) As per the information and explanation furnished by the management the physical verification of major Fixed Assets was conducted during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As the records have not been updated comparison of the physically verified assets with that of book records have not been completed;
- (c) In our opinion the company has not disposed off, substantial part of Fixed Assets during the year;
- (ii) (a) The stock of inventories have been physically verified by the management at the close of 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 for 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) On the basis of our examination of records of Inventory, in our opinion the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification as compared with the book records in relation to the operations of the Company;
- (iii) (a) In our opinion the Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provision of clause 4(iii)(b), 4(iii)(c) and 4(iii)(d) are not applicable to the company;
- (e) During the year, the Company has taken loans from seven other Companies listed in the register maintained under section 301. of the Companies Act, 1956 the maximum amount involved during the year was Rs. 28.03 Crores and at the year end balance of Loans taken from such parties was Rs. 28.18 Crores;
- (f) In our opinion the rate of interest and other terms and conditions on which loan taken form Companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company. There are no overdue amounts of loans taken from Companies listed in the register maintained under Section 301 of the Companies Act, 1956;
- (g) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest;
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system;
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us, contracts or arrangements particulars of which need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered;
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed under, where applicable, with regard to deposits accepted from the public. As per the information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company;
- (vii) The Company has an adequate internal audit system, which was conducted by an independent firm of Chartered Accountants which in our opinion is commensurate with the size and nature of its business;
- (viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made up. We have not however made a detailed examination of the records with a view to determining whether they are accurate or complete;
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion the undisputed statutory dues in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty, cess and any others statutory dues as applicable have been generally regularly deposited

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with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2009 for a period of more than six months from the date of becoming payable except value added tax of amount Rs. 2.75 Lacs which has been deposited subsequently;

- (b) The disputed statutory dues aggregating to Rs. 1,153.27 Lacs, that have not been deposited on account of matters pending before appropriate authorities. Details regarding the name of the statute, nature of the dues, disputed amount and the forum where the disputes are pending have been enclosed in the **Annexure-I**
- (x) The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our report and in the immediately preceding financial year;
- (xi) Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial Institutions and banks. These do not cover the case where the company has paid additional charges in respect of the delay thereof;
- (xii) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) The Company is not a chit / nidhi / mutual benefit fund / society;
- (xiv) The Company is not a dealer or trader in shares, securities, debentures and other investment. We also report that the company has held the investments in its own name;
- (xv) On the basis of the information and explanations given to us, the Company has given guarantee for obtaining credit facilities taken by Innovassynth Technologies (India) Ltd. from a bank; In our opinion and according to the information and explanations given by the Company the terms and conditions are not prejudicial to the interest of the company;
- (xvi) The Company has raised term loan during the year on the basis of information and explanations given to us the loan has been applied for the purpose for which it was obtained;
- (xvii) According to the information and explanations given to us and an overall examination of the Balance Sheet of the company and the fund flow based on the Audited Accounts we report that no funds raised on short-term basis have been used for long-term investment;

- (xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956;
- (xix) During the year the company has not issued any debentures;
- (xx) During the year the company has not raised any monies by way of public issues;
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For N.M. Raiji & Co.
Chartered Accountants

Y. N. Thakkar
Partner

Place: Mumbai
Date: 30 June, 2009

Membership No: 33329

ANNEXURE I

Sr. No.	Name of the Statute	Nature of Dues	Forum where dispute is pending	Amount (Rupees in Lacs)
1	Central Sales Tax Act / Tamil Nadu General Sales Tax Act	Sales Tax	Appellate Tribunal	13.40
2	Customs Act	Custom Duty	Customs Commissioner Appeal	15.95
3	Customs Act	Custom Duty	CESTAT	55.04
4	Customs Act	Custom Duty	Supreme Court	121.00
5	Central Excise Act	Excise Duty	Central Excise Commissioner Appeals	74.66
6	Central Excise Act	Excise Duty	CESTAT	28.32
7	Central Excise Act	Excise Duty	High Court	279.59
8	Central Excise Act	Service Tax	Central Excise, (Service Tax) Commissioner Appeals	73.02
9	Central Excise Act	Service Tax	CESTAT	486.00
10	Central Excise Act	Service Tax	Supreme Court	6.29
Total				1,153.27

BALANCE SHEET AS AT 31ST MARCH, 2009

		(Rupees in Lacs)	
		As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	5,242.17	5,242.17
Reserves and Surplus	2	18,019.97	22,213.93
		23,262.14	27,456.10
LOAN FUNDS			
Secured Loans	3	12,316.02	11,585.42
Unsecured Loans	4	6,673.21	4,327.35
		18,989.23	15,912.77
		42,251.37	43,368.87
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	65,075.84	59,885.68
Less: Depreciation		28,662.85	25,997.55
Net Block		36,412.99	33,888.13
Capital Work-in-Progress		891.99	2,581.05
		37,304.98	36,469.18
INVESTMENTS	6	448.76	2,621.11
DEFERRED TAX ASSET		649.94	74.57
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	9,996.90	11,825.74
Sundry Debtors	8	3,364.64	3,742.01
Cash and Bank Balances	9	1,388.06	1,824.15
Loans and Advances	10	2,924.98	2,651.44
		17,674.58	20,043.34
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	13,004.41	14,971.69
Provisions	12	827.75	877.99
		13,832.16	15,849.68
NET CURRENT ASSETS		3,842.42	4,193.66
MISCELLANEOUS EXPENDITURE	13	5.27	10.35
(to the extent not written off or adjusted)		42,251.37	43,368.87

NOTES FORMING PART OF THE ACCOUNTS 18

 As per our Report Annexed
 For **N. M. RAIJI & CO.**,
 Chartered Accountants

Y. N. THAKKAR
 Partner
 Mumbai, 30th June, 2009

For and on behalf of the Board

S. B. GHIA
M. D. DALAL
S. RAMACHANDRAN
S.B. CHATTERJEE

 Chairman & Managing Director
 Joint Managing Director
 Company Secretary
 President - Finance

Mumbai, 30th June, 2009

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in Lacs)

	SCHEDULE	2008-2009	2007-2008
INCOME			
Sales and Services (Gross)		42,313.94	45,827.10
Less : Excise duty		4,425.56	4,464.34
Sales and Services (Net)		37,888.38	41,362.76
Other Income	14	1,051.59	1,295.89
		38,939.97	42,658.65
EXPENDITURE			
Manufacturing and Other Expenses	15	34,949.88	38,081.53
Interest	16	2,736.36	2,126.66
Depreciation		2,815.85	2,577.57
Less: Transfer from Revaluation Reserve		(872.42)	(884.15)
		39,629.67	41,901.61
(Less) / Add : (Increase) / Decrease in Stock	17	792.11	(1,078.40)
		40,421.78	40,823.21
OPERATING PROFIT / (LOSS)		(1,481.81)	1,835.44
EXTRA ORDINARY ITEM			
Less : Voluntary Retirement Scheme		5.08	8.39
PROFIT / (LOSS) BEFORE TAX		(1,486.89)	1,827.05
Excess Provision of Earlier Years		—	(1.17)
Provision for Fringe Benefit Tax		23.00	28.00
Provision for wealth Tax		2.00	2.00
Deferred Tax Adjustment		(575.36)	466.61
Provision for Tax		—	203.83
PROFIT / (LOSS) AFTER TAX		(936.53)	1,127.78
Balance brought forward from Previous Year		2,192.35	1,064.57
BALANCE CARRIED TO BALANCE SHEET		1,255.82	2,192.35
Earning per Share - Basic		(1.79)	2.15
Earning per Share - Diluted		(1.79)	2.15
Face Value of Share Rs.10/-			

NOTES FORMING PART OF THE ACCOUNTS

18

As per our Report Annexed
For **N. M. RAIJI & CO.**,
Chartered Accountants

Y. N. THAKKAR
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

S. B. GHIA	Chairman & Managing Director
M. D. DALAL	Joint Managing Director
S. RAMACHANDRAN	Company Secretary
S.B. CHATTERJEE	President - Finance

Mumbai, 30th June, 2009

FUTURA FUTURA POLYESTERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR 01-04-2008 TO 31-03-2009

	2008-09	(Rupees in Lacs) 2007-08
(A) CASH FLOW FROM OPERATIONS		
Net Profit / (Loss) before tax and extra-ordinary item	(1,481.81)	1,835.44
Adjustment for		
Depreciation	1,943.43	1,693.42
Foreign Exchange Fluctuation (Net)	722.93	(194.51)
Interest / Dividend Income	(10.88)	(272.57)
Interest Expenses	2,736.36	2,126.66
Profit / (Loss) on Sale of Fixed Assets	5.43	(638.45)
Provision for Doubtful Debts / Advances	6.77	59.41
Provision no longer required written back	(327.50)	(2.37)
Credit balances written back	(364.39)	(0.24)
	4,712.15	2,771.35
Operating Profit before working capital changes	3,230.34	4,606.79
Adjustment for		
Trade and Other Receivables	314.03	(175.07)
Inventories	1,828.84	(3,505.37)
Trade Payables	(2,042.56)	4,207.17
	100.31	526.73
Cash generated from operations	3,330.65	5,133.52
Direct Taxes (Paid)	(241.96)	(102.07)
Cash flow before extra-ordinary item	3,088.69	5,031.45
Extra Ordinary Item	—	(4.97)
NET CASH FROM OPERATING ACTIVITIES (A)	3,088.69	5,026.48
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(3,666.54)	(4,669.13)
Disposal of Fixed Assets	9.43	987.61
Sale / Purchase of Investments	(212.66)	(239.89)
Interest Received	3.84	269.22
Dividend Received	7.04	3.35
	(3,858.89)	(3,648.84)
NET CASH USED IN INVESTING ACTIVITIES (B)	(3,858.89)	(3,648.84)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	—	—
Proceeds from Long Term borrowings	730.60	981.31
Repayment of Short-Term borrowings	2,192.71	(249.02)
Interest paid	(2,589.20)	(2,019.84)
	334.11	(1,287.55)
NET CASH USED FROM FINANCING ACTIVITIES (C)	334.11	(1,287.55)
Net increase in cash and cash activities (A + B + C)	(436.09)	90.09
Cash and cash equivalents as on 01.04.2008 (Opening Balance)	1,824.15	1,734.06
Cash and cash equivalents as on 31.03.2009 (Closing Balance)	1,388.06	1,824.15
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	(436.09)	90.09

Notes :

1. Cash and Bank Balances as per accounts have been classified as cash and cash equivalent.
2. Figures of the previous year has been regrouped wherever necessary.
3. All figures in brackets are outflows.

As per our Report Annexed
For **N. M. RAIJI & CO.,**
Chartered Accountants

Y. N. THAKKAR
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

S. B. GHIA Chairman & Managing Director
M. D. DALAL Joint Managing Director
S. RAMACHANDRAN Company Secretary
S.B. CHATTERJEE President - Finance

Mumbai, 30th June, 2009

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2009**

SCHEDULE 1 : SHARE CAPITAL

(Rupees in Lacs)

	As at 31.03.2009	As at 31.03.2008
AUTHORISED :		
54,000,000 Equity Shares of Rs. 10 each	5,400.00	5,400.00
100,000 Cumulative Redeemable Preference Shares of Rs. 100 each	100.00	100.00
	5,500.00	5,500.00
ISSUED, SUBSCRIBED AND PAID UP :		
52,421,679 Equity Shares of Rs. 10 each, fully paid-up	5,242.17	5,242.17
	5,242.17	5,242.17

NOTES :

- Of the above -1. 84,86,575 Shares have been allotted as fully paid Bonus Shares by Capitalisation of Capital Redemption Reserve, Securities Premium and General Reserve.
2. 3,50,000 Shares have been allotted as fully paid to the Shareholders of erstwhile Corporation Bank Limited, pursuant to the scheme of Amalgamation of Corporation Bank Limited with the Company.

SCHEDULE 2 : RESERVES AND SURPLUS

(Rupees in Lacs)

	As at 31.03.2009	As at 31.03.2008
CAPITAL RESERVE	95.05	95.05
SECURITIES PREMIUM	4,441.96	4,441.96
GENERAL RESERVE	1,191.14	1,191.14
REVALUATION RESERVE *		
Opening Balance	14,293.43	1,087.64
Add : Addition during the year	—	14,089.94
	14,293.43	15,177.58
Less : Write off of Investments in ITIL **	2,385.01	—
Less : Transferred to Profit and Loss account	872.42	884.15
	11,036.00	14,293.43
PROFIT AND LOSS ACCOUNT	1,255.82	2,192.35
	18,019.97	22,213.93

* (Refer Note No. 3 of Schedule No. 18)

** (Refer Note No. 24 of Schedule No. 18)

SCHEDULE 3 : SECURED LOANS

	As at 31.03.2009	(Rupees in Lacs) As at 31.03.2008
(A) TERM LOANS		
IDBI Bank Limited (Note No.1) (Repayable within a year Rs. 450.00 Lacs, Previous Year Rs. 1,596 Lacs)	1,957.00	3,204.00
AXIS Bank Limited (Note No 1) (Repayable within a year Rs. Nil, Previous Year Rs. 500 Lacs)	750.00	1,250.00
YES Bank Ltd (Note No 1) (Repayable within a year Rs. 500 Lacs, Previous Year Rs. 250 Lacs)	1,750.00	2,000.00
Canara Bank (Note No 2) (Repayable within a year Rs. Nil, Previous Year Rs. 156.25 Lacs)	1,171.84	1,117.50
State Bank of Patiala (Note No 1) (Repayable within a year Rs. 485.80 Lacs, Previous Year Rs. Nil)	2,107.17	—
Bank of India (Note No 2) (Repayable within a year Rs. 609.99 Lacs, Previous Year Rs. Nil)	609.99	—
(B) OTHER LOANS		
Cash Credit and Packing Credit Facilities from Banks (Note No.2)	3,930.26	3,940.72
Hire Purchase Facilities from Banks and others (Note No 3) (Repayable within a year Rs. 25.06 Lacs, Previous Year Rs. 32.30)	39.76	73.20
	12,316.02	11,585.42

NOTES:
TERM LOANS

- The Term Loans sanctioned by IDBI Bank Limited, Axis Bank Limited (formerly UTI Bank Limited), Yes Bank Limited and State Bank of Patiala are secured / to be secured by a first charge inter alia by way of equitable mortgage by deposit of title deeds in respect of the Company's immovable properties at Manali and Chinnasekkadu, Chennai, Tamil Nadu, with the second / subservient charge on the immovable properties in favour of Consortium Banks (for Working Capital Facilities). IDBI Bank Limited / Axis Bank Limited / Yes Bank Limited / State Bank of Patiala have first charge by way of hypothecation of the Company's all tangible, movable Fixed Assets, (save and except Book Debts and subject to exclusive charge on certain items of Machineries) both present and future, subject to prior charge on inventories and book debts in favour of Banks providing Working Capital facilities (other than hire purchase).

OTHER LOANS

- Cash Credit and other facilities are secured by hypothecation of Company's Current Assets such as Raw Materials, Stock in Process, Finished Goods, Consumables, Receivables favouring banks providing Working Capital facilities to the Company. The facilities granted by the Banks to the Company are further secured by way of second / subservient charge ranking pari passu inter se over the entire immovable properties of the Company at Manali and Chinnasekkadu, Chennai, Tamil Nadu.
- Hire purchase: Secured by specific assets taken on hire purchase basis.

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SCHEDULE 4 : UNSECURED LOANS

(Rupees in Lacs)

	As at 31.03.2009	As at 31.03.2008
FIXED DEPOSITS		
From Public, Shareholders, Employees (Repayable within a Year Rs. 214.49 Lacs, Previous Year Rs. 215.53 Lacs)	432.77	477.06
SHORT TERM DEPOSITS		
Inter Corporate Deposits (Repayable within a Year Rs. 1,757 Lacs, Previous Year Rs. 2,388.00 Lacs)	4,648.00	2,388.00
Directors & Ex Directors (Repayable within a Year Rs. 750 Lacs, Previous Year Rs. 773.00 Lacs)	750.00	773.00
Interest accrued and due on above	842.44	689.29
	6,673.21	4,327.35

SCHEDULE 5 : FIXED ASSETS

(Rupees in Lacs)

Sr. No.	Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 1.4.2008	Additions/ Adjustments	Deductions/ Adjustments	Total upto 31.03.2009	As at 1.4.2008	Deductions/ Adjustments	For the Year	Total upto 31.03.2009	As at 31.03.2009
1.	Freehold Land (Refer note no:3)	14,243.53 (181.16)	— (14,089.94)	— (27.57)	14,243.53 (14,243.53)	— (—)	— (—)	— (—)	— (—)	14,243.53 (14,243.53)
2.	Buildings (Freehold)	1,322.45 (1,436.38)	191.59 (14.44)	— (128.37)	1,514.04 (1,322.45)	638.82 (687.91)	— (86.76)	39.29 (37.67)	678.11 (638.82)	835.93 (683.63)
3.	Improvement on Leased Buildings	23.78 (23.78)	— (—)	23.78 (—)	— (23.78)	23.78 (23.77)	23.78 (—)	— (—)	— (23.77)	— (0.01)
4.	Plant and Machinery (Refer note no:1)	39,035.17 (38,042.93)	2,909.25 (1,350.34)	8.81 (358.10)	41,935.61 (39,035.17)	24,040.47 (21,982.47)	1.60 (126.25)	2,305.08 (2,184.25)	26,343.95 (24,040.47)	15,591.66 (14,994.70)
5.	Furniture and Fixtures	165.31 (164.39)	11.31 (3.76)	2.95 (2.84)	173.67 (165.31)	141.68 (135.79)	1.03 (1.30)	4.88 (7.19)	145.53 (141.68)	28.14 (23.63)
6.	Motor Car and Vehicles (Refer note no:2)	267.37 (319.18)	12.19 (66.09)	20.37 (117.90)	259.19 (267.37)	128.03 (167.85)	15.76 (85.85)	38.81 (46.03)	151.08 (128.03)	108.11 (139.34)
7.	Air-Conditioning Units and other Equipments	392.12 (450.75)	18.48 (12.58)	109.53 (71.21)	301.07 (392.12)	318.73 (360.75)	108.41 (56.67)	14.93 (14.65)	225.25 (318.73)	75.82 (73.39)
8.	Weigh Bridge	5.62 (5.62)	— (—)	— (—)	5.62 (5.62)	4.32 (4.17)	— (—)	0.15 (0.15)	4.47 (4.32)	1.15 (1.30)
9.	Research and Development									
	(i) Buildings	7.93 (7.93)	— (—)	— (—)	7.93 (7.93)	7.43 (7.38)	— (—)	0.05 (0.05)	7.48 (7.43)	0.45 (0.50)
	(ii) Plant and Machinery	295.70 (295.70)	— (—)	— (—)	295.70 (295.70)	280.90 (295.58)	— (—)	— (14.68)	280.90 (280.90)	14.80 (14.80)
10.	New Product Development	4,126.70 (2,509.58)	2,212.78 (1,617.12)	— (—)	6,339.48 (4,126.70)	413.40 (111.14)	— (—)	412.68 (302.26)	826.08 (413.40)	5,513.40 (3,713.30)
		59,885.68 (43,437.40)	5,355.60 (17,154.27)	165.44 (705.99)	65,075.84 (59,885.68)	25,997.56 (23,776.81)	150.58 (356.83)	2,815.87 (2,577.57)	28,662.85 (25,997.55)	36,412.99 (33,888.13)

Capital Work-in-Progress

891.99

(2,581.05)

37,304.98

(36,469.18)

NOTES:

1. Opening Gross Block includes net revaluation of Rs. 4,145.12 Lacs.
2. Vehicles include Rs. 147.10 Lacs (Previous Year Rs.143.23 Lacs) acquired on hire purchase basis.
3. During the previous year, part of the land has been revalued on 16th February 2008, based on the valuation report dated 18th February 2008 of M/s. Kanti Karamsey & Co Govt. registered Valuer.

Gross Book Value	Net Revaluation
5.28	14,089.94
4. Figures in bracket pertain to Previous Year.

SCHEDULE 6 : INVESTMENTS

Description	Face Value Per Unit	Holdings Numbers	(Rupees in Lacs)	
			As at 31.03.2009	As at 31.03.2008
LONG TERM (At Cost) Fully Paid				
QUOTED				
Non Trade:				
Equity Shares				
The Arvind Mills Limited	Rs.10	18,241	72.97	72.97
Bank of India	Rs.10	7,200	3.24	3.24
UNQUOTED				
Non Trade:				
6.75% Tax Free US64 Bonds	Rs.100	— (57,345)	—	57.34
Birla Sunlife Dynamic Bond Fund	Rs.14.11	354,423.92	50.00	—
The Shamrao Vithal Co-operative Bank Limited	Rs.25	1,015	0.25	0.25
Equity Shares				
Innovassynth Technologies (India) Limited	Rs.10	2,200,000 (23,850,070)	220.00	2,385.01
AARKAY Energy (Rameshwaram) Ltd.	Rs.10	1,575,000	157.50	157.50
Innovassynth Investments Limited	Rs.10	50,000	5.00	5.00
			508.96	2,681.31
Less: Provision for Diminution in the value of Investment			60.20	60.20
			448.76	2,621.11
Aggregate Value of Quoted Investments			76.21	76.21
Aggregate Value of Unquoted Investments			432.75	2,605.10
Market Value of Quoted Investments			18.28	25.09

SCHEDULE 7 : INVENTORIES

	As at 31.03.2009	As at 31.03.2008
Stores, Spares and Packing Materials (Including in-transit Rs. Nil)	1,751.98	2,439.85
Stock-in-Trade:		
Raw Materials (Including in-transit Rs. Nil)	3,809.30	4,158.16
Semi Finished Goods	1,876.45	1,809.78
Finished Goods	2,559.17	3,417.95
	9,996.90	11,825.74

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SCHEDULE 8 : SUNDRY DEBTORS

	As at 31.03.2009	(Rupees in Lacs) As at 31.03.2008
Over Six months		
Considered good	144.64	752.14
Considered doubtful	519.45	514.52
	664.09	1,266.66
Others: Considered Good	3,220.00	2,989.87
	3,884.09	4,256.53
Less: Provision for doubtful debts	519.45	514.52
	3,364.64	3,742.01

SCHEDULE 9 : CASH AND BANK BALANCES

	As at 31.03.2009	(Rupees in Lacs) As at 31.03.2008
Cash on hand	12.01	24.32
Balances with Scheduled Banks:		
In Current Accounts	611.97	719.71
In Deposit Accounts	764.08	1,080.12
	1,388.06	1,824.15

SCHEDULE 10 : LOANS AND ADVANCES

(Unsecured - Considered good unless otherwise stated)

	As at 31.03.2009	(Rupees in Lacs) As at 31.03.2008
Advances recoverable in Cash or in kind or for value to be received:		
Considered good (Refer Note Below)	2,180.24	2,345.43
Considered doubtful	147.11	156.96
	2,327.35	2,502.39
Less: Provision for Doubtful Advances	147.11	156.96
	2,180.24	2,345.43
Advance Payment of Tax (Net of Provisions)	216.96	—
Balances with Excise, Customs, etc.	527.78	306.01
	2,924.98	2,651.44

NOTE :

Includes due from Officer of the Company Rs. Nil, Previous year Rs. 6.25 lacs,
(Maximum due Rs. 6.25 Lacs, Previous Year Rs. 6.40 Lacs)

SCHEDULE 11 : CURRENT LIABILITIES

	As at 31.03.2009	(Rupees in Lacs) As at 31.03.2008
Sundry Creditors	9,508.31	10,424.94
Interest accrued but not due	97.06	103.05
Investors Education and Protection Fund: (Refer note no: 4 of Schedule 18)		
Share Application Refund - Right Issue	0.39	0.39
Other Liabilities	3,173.55	3,686.44
Advance from Customers	225.10	756.87
	13,004.41	14,971.69

SCHEDULE 12 : PROVISIONS

	As at 31.03.2009	As at 31.03.2008
Provision for Taxation (Net of Advance Tax)	—	31.97
Provision for Leave encashment	85.35	81.88
Provision for Gratuity	697.10	723.50
Provision for Superannuation	45.30	40.64
	827.75	877.99

SCHEDULE 13 : MISCELLANEOUS EXPENDITURE
(to the extent not written off or adjusted)

	As at 31.03.2009		As at 31.03.2008
Deferred Revenue Expenses	10.35		
Voluntary Retirement Scheme	5.08	18.74	
Less: Amortisation	5.27	8.39	10.35
	5.27		10.35

SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE 14 : OTHER INCOME

	2008-2009	(Rupees in Lacs) 2007-2008
Dividend on Investments	7.04	3.35
Interest Others (Gross) (TDS Rs. Nil)	3.84	269.22
Profit on sale of Fixed Assets (Net)	—	638.45
Provision no longer required written back	327.50	2.37
Miscellaneous Income	285.70	187.61
Prior Period Adjustments	63.12	0.14
Foreign Exchange Fluctuations (Net)	—	194.51
Sundry Credit Balances written back	364.39	0.24
	1,051.59	1,295.89

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SCHEDULE 15 : MANUFACTURING AND OTHER EXPENSES

(Rupees in Lacs)

	2008-2009	2007-2008
Raw Material Consumed:		
Opening Stock	4,158.16	2,398.15
Add: Purchases	20,128.42	25,543.55
	24,286.58	27,941.70
Less: Cost of Raw Materials sold	251.75	193.13
	24,034.83	27,748.57
Less: Closing Stock	3,809.30	4,158.16
	20,225.53	23,590.41
Stores, Spares, Packing Materials and Process		
Chemicals consumed	4,009.55	3,840.50
Salaries, Wages and Bonus		
(including Directors' Remuneration)	2,220.45	1,892.24
Contribution to Provident Fund and Other Funds	270.90	322.52
Staff Welfare	355.56	316.51
Power and Fuel	5,846.55	5,748.05
Rent	204.95	191.23
Rates and Taxes	41.38	27.35
Sales Tax	0.81	10.71
Insurance	84.17	140.21
Repairs to:		
Building	39.01	75.55
Plant and Machinery	281.21	243.84
Others	347.81	239.71
Directors' Fees	1.50	1.50
Auditors' Remuneration:		
Audit Fees	19.13	14.30
Fees for Taxation Matters	8.58	6.00
Certification Services	7.12	1.12
Out-of-pocket Expenses	2.36	0.56
Traveling and Conveyance	258.12	314.07
Freight	510.38	983.11
Legal, Professional and Technical Fees	254.86	205.11
Commission and Brokerage on Sales	350.40	380.01
Claims Others	71.55	82.61
Miscellaneous	1,015.65	1,012.02
Loss on Sale of Fixed Assets	5.43	—
Provision for Doubtful Debts/Advances	6.77	59.41
Foreign Exchange Fluctuations (Net)	722.93	—
	37,162.66	39,698.65
Less: Expenses Capitalised (Refer Note. No.10 of Schedule 18)	2,212.78	1,617.12
	34,949.88	38,081.53

SCHEDULE 16 : INTEREST

	2008-2009	(Rupees in Lacs) 2007-2008
On Fixed Loans	1,115.83	844.27
On Other Loans	1,620.53	1,282.39
	2,736.36	2,126.66

SCHEDULE 17 : (INCREASE) / DECREASE IN STOCK

OPENING STOCK:

Semi Finished Goods
Finished Goods

1,809.78	1,674.11
3,417.95	2,475.22
5,227.73	4,149.33
1,876.45	1,809.78
2,559.17	3,417.95
4,435.62	5,227.73
792.11	(1,078.40)

CLOSING STOCK:

Semi Finished Goods
Finished Goods

(Increase) / Decrease in Stock

SCHEDULE 18: NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. System of Accounting

The financial statements are prepared under Historical cost convention on an accrual basis except for certain fixed assets which have been revalued.

B. Fixed Assets and Depreciation

I. Fixed Assets

Fibre, Resin and Preforms Divisions.

Fixed Assets are stated at cost less depreciation. Cost comprises of Cost of acquisition, cost of improvements and any attributable cost of bringing the asset to condition for its intended use. Interest on loans taken for the procurement of specific assets accrued upto the date of acquisition/installation of the said assets is capitalised along with the cost of the assets.

II. Depreciation

Fibre Division:

Depreciation has been provided on Plant and Machinery and Research and Development facilities on straight line basis and on other assets on written down value basis at the rates specified in Schedule XIV of the Companies Act, 1956 as amended from time to time. Certain Plants have been treated as continuous process Plants based on technical and

other evaluation. However, higher rate of depreciation has been provided on certain Plant and Machinery ranging from 6.75% -12.50% compared to 5.28% of Schedule XIV rate, based on technical evaluation. The total accumulated depreciation is restricted up to 95% of the Gross Block Value.

Resin and Preforms Divisions:

Depreciation has been provided on all assets on straight line basis at the rates specified in Schedule XIV of the Companies Act, 1956 as amended from time to time. However, higher rate of depreciation has been provided on certain Plant and Machinery ranging from 6.75%-12.50% compared to 5.28% of Schedule XIV rate, based on technical evaluation. The total accumulated Depreciation is restricted up to 95% of the Gross Block Value.

C. Investments

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value, Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in value of long term investments.

Income on Investments:

Dividend income is accounted when right to receive payment is established.

Interest income is accounted on accrual basis.

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D. Inventories

Inventories are valued as under:

- (i) Fibre Division and Chemical Division
Raw Materials, Packing Materials, Stores and Spares: at Cost (Weighted average method) Materials-in-transit and Semi Finished Goods: at Cost. (Weighted average method)
Finished Goods: at lower of cost or net realisable value. (Weighted average method)
Traded items: at lower of cost or net realisable value. (Weighted average method)
- (ii) Resin and Preforms Divisions:
Method of valuation for Raw materials & Finished goods has been changed from FIFO to Weighted average method.

E. Sales and Services

Sale of goods is recognised on despatch to customers. Sales include amounts recovered towards excise duty, but exclude amounts recovered towards sales tax. Service income is recognised as per terms of agreements.

F. Export Incentives

Export Incentives are accounted on an accrual basis.

G. Foreign Currency Transactions

Transactions in foreign currencies are recorded at current rates except transactions covered by forward contracts. Assets and Liabilities denominated in foreign currency are restated at the year end rates. All exchange gains and losses except those relating to acquisition of fixed assets which are adjusted to the carrying cost of such assets, are accounted for in the Profit and Loss Account.

H. Research and Development

Revenue expenditure on Research and Development is charged as an expense in the year in which they are incurred. Capital expenditure is shown as an addition to Fixed Assets.

New Product Development Expenditure

Expenditure incurred on development of new products are amortised over a period of 10 years.

I. Employee Benefits

- (i) Defined Contribution Plan
Company's contributions paid /payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognized in the Profit and Loss Account. There are no other obligations other than the contribution payable to the respective trust/fund. Company's Contribution towards Superannuation and ESIC is based on a percentage of salary which is made to an approved fund.
- (ii) Defined Benefit Plan
Company's Contribution towards Provident Fund is based on a percentage of salary which is made to an approved fund.
Company's Contribution towards Gratuity is made to an approved fund as per actuarial valuation certificate obtained from an actuary which is determined using projected unit credit method.
- (iii) Short term compensated absences are provided as per actuarial valuation certificate obtained from an

actuary which is determined using projected unit credit method.

- (iv) Long term employee benefit
Long term compensated absences are provided as per actuarial valuation certificate obtained from an actuary which is determined using projected unit credit method.
- (v) Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

J. Deferred Revenue Expenses:

Voluntary Retirement Scheme related payments are amortised over a period of 5 years

K. Taxes on Income

- (a) Current Tax: Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
- (b) Deferred Tax Provision: Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted on the Balance Sheet date. Deferred Tax Assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2. Sales and Service income includes Service Income of Rs. Nil. (Previous year Rs.1,012.80 Lacs).
3. During the year 2003-04, the company had revalued Plant and Machinery as on 30.11.03. The Net increase in the Net Book value arising out of revaluation had been credited to Revaluation Reserve Account. Revaluation was based on the Valuation Report of M/s. Kanti Karamsey & Co. dated 12th February, 2004 and 29th April, 2004. The details are as under :

	Rs.in Lacs
Gross Book Value	38,618.10
Accumulated Depreciation	18,198.34
Net Book Value	20,419.76
Net Revaluation	4,145.12

During the year 2007-08 the Company had revalued Part of the Land as on 16th February, 2008. The Net increase in the Net Book value arising out of revaluation had been credited to Revaluation Reserve Account. Revaluation is based on the Valuation Report of M/s. Kanti Karamsey & Co dated 18th February, 2008.

The details are as under :

	Rs. in Lacs
Gross Book Value	5.28
Accumulated Depreciation	—
Net Book Value	5.28
Net Revaluation	14,089.94

4. In respect of Unpaid Share Application Money, Unpaid Matured Deposits and Debentures and interest thereon which are outstanding for more than seven years, amounting to Rs.0.44 Lacs has been paid to Investor Education and Protection Fund (Previous year – Rs. 3.42 Lacs).

		(Rs. in Lacs)	
		2008-09	2007-08
5.	Estimated amount of contracts remaining to be executed on capital account (net of advance paid) and not provided on 31 st March, 2009 – Rs.424.80 Lacs (Previous year Rs. 219.21 Lacs).		
6.	Contingent Liabilities :		
Sr. No	Items	Amt (Rs.lacs)	
(i)	Regarding Income tax on account of disputes raised by the Income tax department under the Income tax, Act 1961.	79.88 (—)	
(ii)	Claims against the Company not acknowledged as debts.	173.40 (173.40)	
(iii)	Service Tax Penalty and interest demanded on technology transfer agreement between FPL and IOCL and vice versa.	486.00 (486.00)	
	Service Tax demand on Goods Transport Agency during the Year 1997-98. Department appeal is pending in Supreme Court.	6.29 (6.29)	
	Service tax credit denial on outward freight and canteen services 2005-06, 2006-07, 2007-08 and 2008-09	73.02 (63.84)	
(iv)	Central Excise – Claims against the company on various issues pending at CESTAT / High Court / Supreme Court.	448.23 (493.49)	
(v)	Customs : Method of calculation of duty under notification 2 / 95 & other valuation issues.	126.33 (126.33)	
(vi)	Sales Tax on Input use for Exports (1999-2000 and 2000-2001).	9.00 (9.00)	
(vii)	Sales Tax on Interest collected (1997-98 & 2000-2001) CST levied on Interest charges collected from customers.	4.40 (4.40)	
(viii)	Guarantee given by the Company.	3,313.00 (2,813.00)	
(ix)	Penalty Demanded by Tamilnadu Electricity Board disputed by the Company and stay order issued by the High Court of Madras	193.97 (—)	
7.	There are no Micro, Small and Medium Enterprises, as defined in the Micro Small Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.		
8.	EMPLOYEE BENEFITS		
	Gratuity - Fibre		
(a)	Defined benefits plan (Funded) – As per actuarial valuation as on March 31, 2009		
I	Change in Obligation during the year ended March 31, 2009		
	1. Present Value of Defined Benefit - Obligation at beginning of the year	723.50	669.90
	2. Current Service Cost	35.33	41.61
	3. Interest Cost	49.74	49.92
	4. Actuarial (Gains) / Losses	(85.28)	(29.36)
	5. Benefits Paid	26.19	(8.57)
	6. Present value of Defined Benefit Obligation at the end of the year.	697.09	723.50
II	Change in Assets during the Year ended March 31, 2009		
	1. Plan assets at the beginning of the year.	22.56	144.30
	2. Settlements	—	11.23
	3. Expected return on plan assets	0.90	—
	4. Contribution by Employer	3.00	—
	5. Actual benefits paid	(26.19)	(8.58)
	6. Actuarial Gains / (Losses)	0.40	(9.90)
	7. Plan Assets at the end of the year	0.67	137.05
III	Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2009		
	1. Present Value of Defined Benefits Obligation as at March 31, 2009.	697.09	723.49
	2. Fair value of plan assets as at March 31, 2009	0.67	137.05
	3. Fund status (Surplus / (Deficit))	(696.42)	(586.44)
	4. Net Assets / (Liability) as at March 31, 2009	(696.42)	(586.44)
IV	Expenses recognized in the statement of Profit & Loss for the year ended March 31, 2009.		
	1. Current Service Cost	35.33	41.61
	2. Interest Cost	49.74	49.92
	3. Expected return on plan assets	(0.90)	(11.23)
	4. Net Actuarial (Gains) / Losses	(85.68)	(19.46)
	5. Total Expenses	(1.51)	60.84
V	The major categories of plan assets as a percentage of total plan Insurer Managed Funds		
VI	Actuarial Assumptions:		
	1. Discount Rate	7%	8%
	2. Expected rate of return on plan assets	8%	8%
	3. Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	4. Retirement Age	Officers 60; Others 58	Officers 60; Others 58

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Gratuity - Polymers & Preforms		(Rs. In Lacs)	
(a) Defined benefits plan (Funded) – As per actuarial valuation as on March 31, 2009			
	2008-09	2007-08	
I Change in Obligation during the year ended March 31, 2009			
1. Present Value of Defined Benefit Obligation at beginning of the year	38.60	36.19	
2. Current Service Cost	3.06	3.11	
3. Interest Cost	2.82	2.61	
4. Actuarial (Gains) / Losses	4.12	0.41	
5. Benefits Paid	6.81	2.89	
6. Present value of Defined Benefit Obligation at the end of the year.	41.79	38.60	
II Change in Assets during the Year ended March 31, 2009			
1. Plan assets at the beginning of the year.	40.68	37.45	
2. Settlements	—	—	
3. Expected return on plan assets	3.04	2.80	
4. Contribution by Employer	1.42	2.63	
5. Actual benefits paid	6.81	2.89	
6. Actuarial Gains / (Losses)	0.37	0.69	
7. Plan Assets at the end of the year	38.70	40.68	
III Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2009			
1. Present Value of Defined Benefits Obligation as at March 31, 2009.	41.79	38.60	
2. Fair value of plan assets as at March 31, 2009	38.69	40.67	
3. Fund status (Surplus / (Deficit))	3.10	(2.07)	
4. Net Assets / (Liability) as at March 31, 2009	3.10	2.07	
IV Expenses recognized in the statement of Profit & Loss for the year ended March 31, 2009			
1. Current Service Cost	3.06	3.11	
2. Interest Cost	2.82	2.61	
3. Expected return on plan assets	3.04	2.80	
4. Net Actuarial (Gains) / Losses	(3.75)	1.10	
5. Total Expenses	6.59	1.82	
V The major categories of plan assets as a percentage of total plan Insurer Managed Funds			
VI Actuarial Assumptions:			
1. Discount Rate	8%	8%	
2. Expected rate of return on plan assets	8%	8%	
3. Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	
4. Retirement Age	Officers 60; Others 58	Officers 60; Others 58	

Amount recognized as an expense and included to Schedule 15 under "Contribution to provident fund and other funds".

(b) The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15, Employee benefits (revised 2005) states that provident fund set up by employers which requires interest short fall to be met by the employer, needs to be treated as defined benefit plan. The fund does not have any existing deficit or interest shortfall. With regard to any future obligation arising due to interest shortfall (i.e. government interest to be paid on provident fund scheme exceeds rate of interest earned on investment) pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the same.

(c) Basis used to determine expected rate of return on assets. The expected return on planned assets is based on market expectation at the beginning of the period for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Group Gratuity Scheme with LIC and Own Trust of Futura Polyesters Limited. The expected return on assets assumption is taken based on current market yield.

(d) The estimates of future salary increases, considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(e) Amounts for the current period are as follows:

		(Rs. In Lacs)	
		2008-09	2007-08
Fibre			
Present value of Defined benefit obligation		697.10	723.50
Fair Value of Plan Assets		0.67	137.05
Surplus / (deficit)		696.43	586.45
Resin & Preforms			
(Rs. In Lacs)			
Present value of Defined benefit obligation		41.79	38.60
Fair Value of Plan Assets		38.69	40.67
Surplus / (deficit)		3.10	(2.07)

(f) Estimated Contribution for the next year on account of gratuity Rs. (26.40) Lacs (Previous year Rs. 55.42 Lacs)

(g) Contribution / Provisions to superannuation and other funds stated under defined contribution plan is Rs. 4.66 Lacs (Previous year Rs. 7.25 Lacs)

(h) Sick leave accumulation has not been valued by actuary and hence not been considered in accounts.

FUTURA POLYESTERS LIMITED

		(Rupees In Lacs)
9.	Revenue expenses on Research and Development have been regrouped under the respective heads :-	
	Salaries, Wages and Bonus	48.60 (32.93)
	Contribution to Provident Fund and Other Funds	2.73 (2.16)
	Stores, Spares, etc. consumed	0.48 (0.86)
	TOTAL	51.81 (35.95)
10.	Expenses Capitalized in Schedule 15 includes:	
	Stores and Spares	— (—)
	Legal , Professional & Technical fees	— (41.94)
	Salaries and Wages	— (97.73)
	Traveling Expenses - Foreign Travel	— (34.80)
	Others	2,212.78 (1,442.65)
	TOTAL	2,212.78 (1,617.12)
11.	Remuneration and perquisites of Managing Director and Joint Managing Director :	
	Salaries	14.40 (14.40)
	Allowances	0.43 (0.43)
	Contribution to Provident Fund and Superannuation Fund	3.89 (3.89)
	Actual reimbursement of medical expenses and personal accident insurance premium	2.15 (1.48)
	Other perquisites as calculated under Income Tax Act, 1961	3.16 (2.93)
	TOTAL	24.03 (23.13)
12.	Consumption of Raw Materials:	
	Unit Quantity	
	Purified Terephthalic Acid M.Ts.	20,736 (24,854)
	Mono-Ethylene Glycol M.Ts.	8,917 (10,317)
	Pet Chips M.Ts.	39,216 (43,398)
	Others	623.56 (1,168.72)
	TOTAL	20,225.53 (23,590.41)
13.	Value of Imported / Indigenous Raw Materials, Stores and Spares consumed :	

		Amount	%
Raw Materials:			
Imported at Landed Cost	13,398.65	66.25	(64.41)
Indigenous	6,826.88	33.75	(35.59)
TOTAL	20,225.53	100.00	(100.00)
Stores and Spares, Packing Material and Process Chemicals:			
Imported at Landed Cost	669.91	16.71	(24.85)
Indigenous	3,339.64	83.29	(75.15)
TOTAL	4,009.55	100.00	(100.00)
14.	Value of Imports calculated on CIF basis:		
Raw Materials	13,571.66		(16,463.62)
Stores and Spares	675.81		(953.99)
Capital Goods	—		(16.39)
15.	Expenditure incurred in foreign currency on account of:		
Traveling	7.29		(38.08)
Interest	—		(35.27)
Others	125.69		(27.28)
16.	Earnings in Foreign Exchange: Export of Goods calculated on FOB basis (Excluding Deemed Exports)	8,537.67	(16,008.38)
Insurance and Freight	350.11		(561.65)
Others	77.94		(252.77)
TOTAL	8,965.72		(16,822.80)
17.	Bank Balances with Other Banks:-		
a)	The Pen Urban Co-operative Bank Ltd. (Maximum balance during the year Rs. Nil, Previous Year Rs. 0.28 Lacs)	—	(—)
b)	Interest received on Margin Money placed for Working Capital amounting to Rs. 102.33 Lacs (Previous Year Rs. 91.57 Lacs) Tax Deducted at Source Rs. 17.99 Lacs (Previous Year Rs: 9.68 Lacs) has been netted off against the Interest expenses incurred on Working Capital.		
18.	Balances of Sundry Debtors, Sundry Creditors and deposits are subject to confirmations.		

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- 19 The Company manufactures Polyester Staple Fibre, Solid State Polymers and Preforms and the relative quantitative and value particulars are as under :

(Rupees in Lacs)

Sr. No.	Goods Produced	Unit	Licensed Capacity Per Annum	Installed Capacity Per Annum	Production for the year	Opening Stock as at 01.04.2008		Closing Stock as at 31.03.2009		Sales during the year	
						Quantity	Rupees	Quantity	Rupees	Quantity	Rupees
1	Polyester Staple Fibre/Chips	M.Ts.	N.A.	38,500 (38,500)	28,938 (31,301)	697 (496)	432.99 (336.05)	475 (696)	317.16 (432.99)	29,160 (31,101)	19,998.86 (20,911.66)
2	Amorphous Grade	M.Ts.	N.A.	58,000 (58,000)	3,500 (6,036)	1,574 (1,080)	1,085.34 (872.80)	1,455 (1,575)	919.27 (1,085.34)	3,619 (5,541)	3,021.39 (3,846.99)
3	Solid State Polymer	M.Ts.	N.A.	57,000 (57,000)	13,517 (17,080)	1,485 (1,121)	1,138.97 (906.75)	939 (1,486)	835.75 (1,138.95)	14,063 (16,715)	9,978.29 (11,388.27)
4	PET Preform	M.Ts.	N.A.	20,000 (20,000)	15,511 (14,196)	652 (317)	716.09 (305.48)	361 (652)	470.43 (716.09)	15,802 (13,861)	9,284.48 (8,641.21)
5	Custom Synthesis	M.Ts.		—	—	1 (—)	41.00 (41.00)	—	16.56 (41.00)	1 (—)	27.34 (—)
6	Ciba Products	M.Ts.		—	—	1 (—)	3.58 (13.14)	—	—	1 (13)	3.58 (26.17)
7	Others			—	—	—	—	—	—	—	—
	TOTAL						3,417.97 (2,475.22)		2,559.17 (3,417.95)		42,313.94 (44,814.30)

NOTES:

- 1 (a) In terms of notification no. 477(E) dated 25.7.91 issued by the Department of Industrial Development, Ministry of Industry, Government of India, all the above items have been delicensed.
- (b) The Industrial License for the manufacture of Polyester Staple Fibre/Polyester Chips has also been endorsed to manufacture Polyester Filament Yarn. The Industrial License for the manufacture of Polyester Filament Yarn/Partially Oriented Yarn has also been endorsed to manufacture "Synthetic Filament Yarn including Industrial Yarn/Tire Cord".
- 2 Installed capacity is based on optimum utilisation of the plant as certified by the Management, upon which the auditors have relied.
- 3 Production column indicates Actual Finished Goods for sale and sales quantity includes write off.

20 Related Party Transactions:

1 Relationships

a) Subsidiary Companies

- 1 Innovassynth Investments Limited (Ceased to be a subsidiary on 29.09.2008)

b) Associates

Nil

c) Key Management Personnel

- 1 Mr. Shyam Bhupatirai Ghia Chairman & Managing Director
- 2 Mr. Mukund Dharmdas Dalal Joint Managing Director

d) Key Management Personnel / Directors having Significant Influence

- 1 Innovassynth Technologies (India) Limited Mr. Shyam Bhupatirai Ghia and Mr. Viren Rajan Raheja are Common Director
- 2 Innovassynth Investments Limited Mr. Shyam Bhupatirai Ghia is a Common Director
- 3 Sonata Software Limited Mr. Shyam Bhupatirai Ghia, Mr. Mukund Dharmdas Dalal & Mr. Viren Raheja are common Directors
- 4 Sonata Information Tech. Limited Subsidiary of Sonata Software Limited
- 5 Distributors (Bombay) Private Limited Significant influence of Mr. Shyam Bhupatirai Ghia
- 6 Viraj Investments Pvt Ltd. Significant influence of Mr. Shyam Bhupatirai Ghia
- 7 Bhupati Investments & Finance Private Limited Subsidiary of Viraj Investments Private Limited
- 8 Chika Private Limited Subsidiary of Bhupati Investments & Finance Private Limited
- 9 Kika Investments & Finance Private Limited Subsidiary of Bhupati Investments & Finance Private Limited
- 10 Kharsundi Chemicals Pvt Ltd. Subsidiary of Bhupati Investments & Finance Private Limited
- 11 Manali Investments & Finance Private Ltd. Significant influence of Mr. Viren Rajan Raheja
- 12 Varahagiri Investments & Finance Private Ltd. Significant influence of Mr. Viren Rajan Raheja
- 13 Bloomingdale Investments & Finance Private Limited Significant influence of Mr. Viren Rajan Raheja
- 14 Matsyagandha Investments & Finance Private Limited Significant influence of Mr. Viren Rajan Raheja
- 15 Beach Plaza Contractors & Developers Private Limited Significant influence of Mr. Viren Rajan Raheja

FUTURA **FUTURA POLYESTERS LIMITED**

RELATED PARTY TRANSACTIONS DURING THE YEAR 2008—09

(Rupees in Lacs)

Sr.No	Nature of Transaction	Subsidiary Innovassyth Investment Limited	Key Management Personnel	Associates	Company in which key Mgmt. Personnel have Significant Influence	Relatives of Key Management Personnel
1	Receiving of Services	—	—	—	52.54	—
		(—)	(—)	(—)	(53.52)	(—)
2	Interest Paid	—	1.87	—	9.31	—
		(—)	(2.60)	(—)	(1.50)	(—)
3	Purchase of goods	—	—	—	—	—
		(—)	(—)	(—)	(—)	(—)
4	Sale of Goods & Services	—	—	—	30.91	—
		(—)	(—)	(—)	(26.17)	(—)
5	Remuneration/Sitting Fees	—	24.03	—	—	0.05
		(—)	(23.13)	(—)	(—)	(—)
6	Guarantees given	—	—	—	—	—
		(—)	(—)	(—)	(—)	(—)
7	Inter Corporate Deposit Given and received back 2008-09	—	—	—	246.00	—
		(—)	(—)	(—)	(—)	(—)
8	Deposits received	—	17.00	—	2,891.00	—
	Outstanding as on 31.03.09	(—)	(23.00)	(—)	(88.00)	(—)
9	Deposit paid outstanding as on 31.03.09	—	—	—	—	—
		(—)	(—)	(—)	(—)	(—)
10	Amount outstanding as on 31.03.09 receivables	—	—	—	687.78	—
		(—)	(—)	(—)	(411.57)	(—)
11	Amount outstanding as on 31.03.09 payable	—	—	—	—	—
		(—)	(—)	(—)	(19.52)	(—)

21 EARNINGS PER SHARE

Sr. No.	Particulars	31.03.2009	31.03.2008
1	Profit / (Loss) after Tax - Rs.	(9,36,54,432)	11,27,79,046
2	Weighted average number of equity shares-Basic (Nos)	5,24,21,679	5,24,21,679
3	Weighted average number of equity shares-Diluted (Nos)	5,24,21,679	5,24,21,679
4	Earnings Per Share (Basic) Rs.	(1.79)	2.15
5	Earnings Per Share (Diluted) Rs.	(1.79)	2.15

22 DEFERRED TAX:

(Rupees in Lacs)

	As at 31.03.2009	As at 31.03.2008
Deferred Tax Liability:		
a: Related to Fixed Assets	2,468.62	2,393.86
b: Others	43.98	48.62
A	2,512.60	2,442.48
Deferred Tax Asset:		
a: Carried forward Loss	2,901.74	2,287.63
b: Others	260.80	229.42
B	3,162.54	2,517.05
Deferred Tax Asset / Liability NET (B-A)	649.94	74.57

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23 SEGMENT REPORTING

(Rupees in Lacs)

A. PRIMARY REPORTING REQUIREMENT:

	POLYESTER PRODUCTS	CHEMICALS	TOTAL ENTERPRISE
1 REVENUE			
Sales / Services	48,862.83 (54,116.15)	30.91 (26.17)	48,893.74 (54,142.32)
Less: Inter Division Transfer	6,579.80 (8,315.22)	— (—)	6,579.80 (8,315.22)
External Sales / Services	42,283.03 (45,800.93)	30.91 (26.17)	42,313.94 (45,827.10)
2 RESULT			
Segment result	1,249.45 (3,960.83)	— 7.11	1,249.45 (3,953.72)
Operating Profit / (Loss)			1,249.45 (3,953.72)
Interest expense	2,736.36 (2,126.66)	— (—)	2,736.36 (2,126.66)
Net Profit / (Loss) Before Tax			(1,486.90) (1,827.06)
Excess Provision of Tax Reversed			— 1.17
Current Year Tax provisions			(25.00) (233.83)
Deferred Tax (Debit) / Credit			575.36 (466.61)
Profit / (Loss) after Tax			(936.54) (1,127.78)
3 OTHER INFORMATION			
Segment assets	53,367.02 (55,149.71)	432.18 (430.47)	53,799.20 (55,580.18)
Unallocated corporate assets			2,284.28 (3,638.33)
Total Assets	53,367.02 (55,149.71)	432.18 (430.47)	56,083.48 (59,218.51)
Segment liabilities	18,735.92 (19,937.60)	4.57 (2.86)	18,740.49 (19,940.47)
Unallocated corporate liabilities			19,323.09 (17,064.15)
Total liabilities	18,735.92 (19,937.60)	4.57 (2.86)	38,063.58 (37,004.62)
Capital expenditure	5,355.61 (3,064.33)	— (—)	5,355.61 (3,064.33)
Depreciation	1,919.10 (1,663.34)	— (—)	1,919.10 (1,663.34)
Non-cash expenses other than depreciation – Voluntary Retirement Scheme	5.08 (8.39)	— (—)	5.08 (8.39)

B. SECONDARY REPORTING REQUIREMENT:

SALES / SERVICES REVENUE BY GEOGRAPHICAL MARKET

	POLYESTER PRODUCTS	CHEMICALS	TOTAL
India	34,330.75 (28,978.11)	30.91 (—)	34,361.66 (28,978.11)
Europe	3,020.56 (5,494.45)	— (26.17)	3,020.56 (5,520.62)
U.S.A	1,701.15 (4,580.54)	— (—)	1,701.15 (4,580.54)
Other Countries	3,230.57 (6,747.83)	— (—)	3,230.57 (6,747.83)
TOTAL	42,283.03 (45,800.93)	30.91 (26.17)	42,313.94 (45,827.10)

24. In accordance with scheme of Arrangement filed by Company under Section 391 to 394 of Companies Act, 1956 and sanctioned by High Court of Judicature Bombay the investment in Equity Shares held by the Company in Innovassynth Technologies (India) Ltd. amounting to Rs. 2,385.01 Lacs which was transferred to Innovassynth Investments Limited has been charged to Revaluation Reserve.

24 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

a) Registration Details

i. Registration No.

1	1	5	7	9
---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1	0	3	0	9
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ii. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Right Issue																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
					N	I	L											
						N	I	L										
Bonus Issue	Private Placement																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
					N	I	L											
						N	I	L										

iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>2</td><td>2</td><td>5</td><td>1</td><td>3</td><td>7</td></tr></table>	4	2	2	5	1	3	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>2</td><td>2</td><td>5</td><td>1</td><td>3</td><td>7</td></tr></table>	4	2	2	5	1	3	7
4	2	2	5	1	3	7									
4	2	2	5	1	3	7									
Sources of funds	Reserves & Surplus														
Paid-up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>8</td><td>0</td><td>1</td><td>9</td><td>9</td><td>7</td></tr></table>	1	8	0	1	9	9	7							
1	8	0	1	9	9	7									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>5</td><td>2</td><td>4</td><td>2</td><td>1</td><td>7</td></tr></table>		5	2	4	2	1	7	Unsecured Loans							
	5	2	4	2	1	7									
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>6</td><td>6</td><td>7</td><td>3</td><td>2</td><td>1</td></tr></table>		6	6	7	3	2	1							
	6	6	7	3	2	1									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>2</td><td>3</td><td>1</td><td>6</td><td>0</td><td>2</td></tr></table>	1	2	3	1	6	0	2								
1	2	3	1	6	0	2									
Deferred Tax Liability															
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L							
					N	I	L								
Application of funds	Investments														
Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>4</td><td>4</td><td>8</td><td>7</td><td>6</td></tr></table>			4	4	8	7	6							
		4	4	8	7	6									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>7</td><td>3</td><td>0</td><td>4</td><td>9</td><td>8</td></tr></table>	3	7	3	0	4	9	8	Misc. Expenditure							
3	7	3	0	4	9	8									
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>5</td><td>2</td><td>7</td></tr></table>					5	2	7							
				5	2	7									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>3</td><td>8</td><td>4</td><td>2</td><td>4</td><td>2</td></tr></table>		3	8	4	2	4	2	Deferred Tax Asset							
	3	8	4	2	4	2									
Accumulated Losses	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>6</td><td>4</td><td>9</td><td>9</td><td>4</td></tr></table>					6	4	9	9	4					
				6	4	9	9	4							
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L							
					N	I	L								

iv. Performance of company (Amount in Rs. Thousands)

Turnover	Total expenditure														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>8</td><td>9</td><td>3</td><td>9</td><td>9</td><td>7</td></tr></table>	3	8	9	3	9	9	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>0</td><td>4</td><td>2</td><td>6</td><td>8</td><td>6</td></tr></table>	4	0	4	2	6	8	6
3	8	9	3	9	9	7									
4	0	4	2	6	8	6									
Profit / (Loss) Before Tax	Profit / (Loss) After Tax														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>1</td><td>4</td><td>8</td><td>6</td><td>8</td><td>9</td></tr></table>	-	1	4	8	6	8	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>9</td><td>3</td><td>6</td><td>5</td><td>3</td></tr></table>	-	9	3	6	5	3	
-	1	4	8	6	8	9									
-	9	3	6	5	3										
Earning per share (Rs.)	Dividend														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>(</td><td>1</td><td>.</td><td>7</td><td>9</td><td>)</td></tr></table>	(1	.	7	9)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L
(1	.	7	9)										
					N	I	L								

v. Generic Names of Three Principal product/ services of Company (as per monetary terms)

b) Item Code No. (ITC code)

5	5	0	3	2	0	.	0	0
---	---	---	---	---	---	---	---	---

Product Description

P	O	L	Y	E	S	T	E	R	S	T	A	P	L	E	F	I	B	R	E
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

c) Item Code No. (ITC code)

3	9	2	6	.	9	0
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Product Description

P	R	E	F	O	R	M	S
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d) Item Code No. (ITC code)

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Product Description

S	O	L	I	D	S	T	A	T	E	P	O	L	Y	M	E	R	S
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25 Figures in bracket pertains to Previous Year.

26 Figures of the Previous Year have been regrouped wherever necessary to conform to Current Years Classification.

As per our Report Annexed
For **N. M. RAIJI & CO.**,
Chartered Accountants

Y. N. THAKKAR
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

S. B. GHIA
M. D. DALAL
S. RAMACHANDRAN
S.B. CHATTERJEE

Chairman & Managing Director
Joint Managing Director
Company Secretary
President - Finance

Mumbai, 30th June, 2009

FUTURA POLYESTERS LIMITED

Registered Office:

Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai - 400 013.

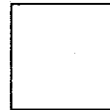
PROXY FORM

Reg. Folio No.....
DP ID/Client ID:

I/We of
..... in the district of
..... being a member/members of the above named Company hereby appoint
..... of in the district of
..... or failing him of
..... in the district of
as my/our proxy to vote for me/us on my/our behalf at the Forty Ninth ANNUAL GENERAL MEETING of the Company
to be held on 09th September, 2009 and at any adjournment thereof.

Signed this day of, 2009.

Signature



Revenue Stamp

Note : This form 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 meeting.

FUTURA POLYESTERS LIMITED

Registered Office:

Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai 400 013.

ATTENDANCE SLIP

49th Annual General Meeting, 09th September, 2009

Reg. Folio No.....

DP ID/Client ID:.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at Jai Hind College Auditorium "A" Road Churchgate, Mumbai 400020 on Wednesday the 09th day of September, 2009 at 3.30 p.m.

Members' / Proxy's name in BLOCK Letters

Members'/Proxy Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.

BOOK POST

To,

If Undelivered please return to

FUTURA POLYESTERS LIMITED

Paragon Condominium

3rd Floor, Pandurang Budhkar Marg

Mumbai 400 013