



FUTURA
POLYESTERS
LIMITED

50TH ANNUAL REPORT 2009-2010

“Request to the Shareholders”

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

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

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Board of Directors S. B. Ghia - Chairman & Managing Director
M. D. Dalal - Jt. Managing Director
Viren Raheja
Shyam Sunder Sami
M. Saravanan Nominee IDBI
K. V. K. Murthy

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.
301, Sony Apartments
Opp. St. Jude High School
Off. Andheri-Kurla Road
Jarimari
Mumbai - 400 072.
Phone: 28520461, 28520462
Fax: 28511809
E-mail: service@scspl.net

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

NOTICE OF ANNUAL GENERAL MEETING

To: All Shareholders

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of FUTURA POLYESTERS LIMITED will be held on Wednesday, the 08th September 2010 at 3.00 p.m. at **M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor, 18/20 K. Dubash Marg, Mumbai-400 001** 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, 2010 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. V. K. Murthy, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass following resolution as ordinary resolution:

“**RESOLVED THAT**, Mr. Viren Raheja, a Director, who retires at this meeting by rotation, be not re-appointed and resulting vacancy be not filled up.”
4. To appoint Auditors and fix their remuneration.

Special Business:

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

“**RESOLVED THAT** pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the Authorized Share Capital of the Company of Rs. 80,00,00,000 (Rupees Eighty Crores Only) divided into 7,90,00,000 Equity Shares of Rs. 10/- each and 1,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each be and is hereby re-classified as Rs. 80,00,00,000 (Rupees Eighty Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 20,00,000 (Twenty Lacs) Non Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one hundred) each.”
6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) of Clause V of the Memorandum of Association of the Company be deleted and in its place following Clause be inserted:

- V. “The Authorised Share Capital of the Company is Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 20,00,000 (Twenty Lacs) Non Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one hundred) each, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in the Articles of Association of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things including the filing with the relevant authorities of such forms and documents, as may be deemed necessary for the purpose of giving effect to the above resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 31(1) and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), Article 3 of the Articles of Association of the Company be deleted and in its place following Article be inserted:

“Amount of 3. The Authorised Share Capital of the Company is Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs.10/- (Rupees Ten) each and 20,00,000 (Twenty Lacs) Non Cumulative Redeemable Preference Shares of Rs.100/- (Rupees one hundred) each.”

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RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things including the filing with the relevant authorities of such forms and documents, as may be deemed necessary for the purpose of giving effect to the above resolution.”

8. To consider, and if thought fit, to pass, with or without modification(s), following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 31(1) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) the Articles of Association of the Company be amended as follows: -

The following Article be inserted as Article 7A after the existing Article 7:

Non Cumulative Redeemable Preference Shares 7A (a) The Non Cumulative Redeemable Preference Shares shall confer upon the holders thereof the right out of the Profits of the Company to a fixed Non Cumulative preferential dividend at the rate of 9% per annum (free of Company’s tax but subject to deduction of tax at source as required under the provisions of the Indian Income Tax Act for the time being in force and amended from time to time) on the capital for the time being paid up there on and the right, in a winding up, to payment of capital and arrears of dividends declared up to the commencement of the winding up in priority to the Equity Shares, and also confer the right to any further participation in profits or assets, except that the holders thereof shall have the right to attend and vote at any General Meeting of the Company as provided by the Act.

- (b) The Preference shares shall be redeemed at the expiry of 15 years from the date of allotment. Provided, however, that the Company shall have the option to

redeem the same earlier but not earlier than 5 years from the date of allotment.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters, and things including the filing with the relevant authorities of such forms and documents, as may be deemed necessary for the purpose of giving effect to the above resolution.”

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

“**RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Bombay Stock Exchange Ltd, Mumbai and Regulations for Preferential issue of securities under the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (“the SEBI Regulations”), and other applicable regulations if any, and subject to the requisite approvals or consents, if any, of the Central Government, Bombay Stock Exchange Ltd, SEBI, and other appropriate authorities, as may be required under any applicable laws, rules and regulations for the time being and from time to time in force, and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof for the time being, and from time to time, to which all or any of the powers hereby conferred on the Board by the Resolution may be delegated), be and is hereby authorized to accept, and subject to such conditions and modifications as may be considered appropriate by the Board of the Company, consent of the Company be and is hereby accorded to the Board (with powers to delegate all or any of the powers hereby conferred to any Committee thereof) to create, issue and allot, at its sole discretion

24,50,000 equity shares of the Company from preferential allotment basis to the following, on terms mentioned hereunder:

- a) 13,10,000 equity shares of Rs.10/- each at a price of Rs. 10/- per share aggregating in value of Rs. 1,31,00,000/- (Rupees One Crore Thirty One Lacs Only) to Matsyagandha Investments & Finance Pvt. Ltd.
- b) 11,40,000 equity shares of Rs.10/- each at a price of Rs. 10/- per share aggregating in value of Rs. 1,14,00,000/- (Rupees One Crore Fourteen Lacs Only) to Bloomingdale Investment & Finance Pvt. Ltd.

RESOLVED FURTHER THAT, aforesaid price of Rs. 10/- is more than the price of Rs. 8.59 calculated in accordance with the Regulations for Preferential Issue of securities issued by SEBI under the SEBI Regulations, with 9th August, 2010 being the relevant date i.e. the date, thirty days prior to the date of this Annual General Meeting of the Company where the proposed issue is to be considered.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock-in for a period of three years from the date of allotment of the Equity Shares or such reduced period as may be permitted under the applicable SEBI Regulations as amended from time to time.

RESOLVED FURTHER THAT the entire pre-preferential allotment shareholding held by the allottees prior to this preferential allotment shall be under lock-in from the relevant date, upto a period of six months from the date of preferential allotment.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the Equity Shares of the Company as aforesaid, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate, to give effect to this resolution in all respects without requiring any

further approval of the Members and that the Members shall be deemed to have given their approval hereto expressly by the authority of this resolution and any document executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any such document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be, and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting the equity shares and utilizing the issue proceeds thereof, as it may, in its absolute discretion, deem fit and proper.”

10. To consider, and if thought fit, to pass, with or without modification(s), following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 80 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and the relevant provisions of Memorandum of Association and Articles of Association and subject to all such approvals, permissions, sanctions and consents, as may be required from time to time, from concerned Authorities, and subject to such conditions and modifications as may be prescribed by any of the above said authorities, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof for the time being, and from time to time, to which all or any of the powers hereby conferred on the Board by the Resolution may be delegated) the consent and approval of the Company be and is hereby accorded to the Board of Directors to create, issue, offer, and allot 19,89,000 (Nineteen Lacs Eighty Nine thousand) 9 % Non Cumulative Redeemable Preference shares of Rs. 100/- each fully paid up at Rs. 100/- per share as follows on preferential allotment basis :

- a) 8,22,000 9% Non Cumulative Redeemable Preference Shares of Rs. 100/- each to Bhupati Investments & Finance Pvt. Ltd aggregating in value to Rs. 8,22,00,000/-.

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- b) 11,17,000 9% Non Cumulative Redeemable Preference Shares of Rs.100/- each to Distributors (Bombay) Pvt. Ltd aggregating in value to Rs. 11,17,00,000/-.
- c) 50,000 9% Non Cumulative Redeemable Preference Shares of Rs. 100/- each to Kharsundi Chemicals Pvt. Ltd. aggregating in value to Rs. 50,00,000/-

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and the offer, issue and allotment of above stated preference shares, the Board of Directors be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds, matters and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation to issue and sign all deeds, document and instruments and to pay fees, costs, charges and other outgoings in relation thereto and to settle all questions, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue and allotment of the said preference shares and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board of Directors shall be binding on all Members.”

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

DIRECTOR RETIRING BY ROTATION.

Name of Director:	Mr. K. V. K Murthy
Age:	69
Qualifications:	B. Sc. CAIIB
Last position held	Retd. Chief General Manager of RBI.

Directorship on the Board and Chairmanship/ Membership in Committees:

Futura Polyesters Ltd.- Director and Member of Audit Committee, Remuneration Committee.

Registered Office:

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

Place: Mumbai

Dated: 11th August, 2010

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 4th September, 2010 to 8th September, 2010 (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 10 of the notice are annexed hereto.

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES
ACT, 1956**

Item no.: 5, 6, 7 & 8 of the notice

In view of the proposed issue of Non Cumulative Redeemable Preference shares, it is necessary to reclassify the Authorized capital of the Company. Accordingly as per these resolutions the authorized capital will be reclassified as Authorized Capital of Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 20,00,000 (Twenty Lacs) 9% Non Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one hundred) each in place of existing authorized Capital structure. This requires the approval of the Members in General Meeting. Consequently the Memorandum and Articles of Association will require alterations so as to reflect the above mentioned changes. It is also proposed to add a new clause 7A in the Articles of Association stipulating terms of issue of Non Cumulative Redeemable Preference Shares.

The Directors, therefore, recommend the passing of the Resolutions as set out in Items No. 5,6,7 & 8 of the accompanying notice. None of the Directors are in any way concerned or interested in the Resolutions.

A copy of the existing Memorandum and Articles of Association together with a copy of the Memorandum and Articles of Association reflecting the proposed amendments will be available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day (except Saturday & Bank Holidays) of the Company.

Item : 9

The objects of the issue of equity shares on preferential allotment basis are to part-finance working capital of the company and for general corporate purposes and to increase promoter group's stake in the Company.

Accordingly, the Company proposes to issue 24,50,000 Equity Shares of Rs. 10/- each at a price of Rs. 10/- per share, on a preferential allotment basis to the following:

Name of the Proposed allottees	No. of equity shares	Percentage of post issued share capital
1. Matsyagandha Investments & Finance Pvt. Ltd.	13,10,000	2.39
2. Bloomingdale Investment & Finance Pvt. Ltd.	11,40,000	2.08

The Equity Shares which will have a face value of Rs. 10/- each will be issued and allotted at a price of Rs. 10/- per share, which is more than Rs. 8.59 which price is arrived at in accordance with the regulations for preferential issue of securities under Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("the SEBI Regulations").

The Equity Shares to be issued to the above referred allottees, shall be subject to lock-in for a period of three year(s) from the date of allotment of the Equity Shares or such reduced period as may be permitted under the applicable SEBI Regulations as amended from time to time.

The entire pre-preferential allotment shareholding held by the aforesaid allottees shall be under lock-in from the relevant date upto a period of six months from the date of preferential allotment.

The said Equity Shares shall be issued and allotted within a period of 15 days from the date of passing the Resolution as stated at Item No. 9 provided that where the allotment of such equity shares is pending on account of pendency of any approval for such allotment by any authority, the allotment shall be completed within a period of 15 days from the date of such approval or such other extended period as may be permitted under the applicable SEBI Regulations as amended from time to time.

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Shareholding Pattern- pre and post preferential issue:

The shareholding pattern pre and post issue of equity shares is as under:

Sr. No.	Category	Pre- Issue		Post – Issue	
		No. of Equity Shares	% of holding	No. of Equity Shares	% of holding
(A)	Promoter(s), Promoter Group(s)	2,03,88,092	38.89	2,28,38,092	41.62
(B)	Public Shareholding				
(B)(1)	Institutions				
(a)	Mutual Fund/UTI	1,58,954	0.30	1,58,954	0.29
(b)	Financial institution/Banks	25,581	0.05	25,581	0.05
(c)	Central Government/ State Government(s)	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0
(e)	Insurance Companies	28,97,119	5.53	28,97,119	5.28
(f)	Foreign Institutional Investors	1,32,010	0.25	1,32,010	0.24
(g)	Foreign Venture Capital Investors	0	0	0	0
(h)	Any Other (specify)	0	0	0	0
	Sub- Total (B)(1)	32,13,664	6.13	32,13,664	5.86
(B)(2)	Non-Institutions				
a)	Bodies Corporate	45,23,347	8.63	45,23,347	8.24
b)	Individuals	1,98,74,765	37.91	1,98,74,765	36.22
c)	Any other (Specify)				
c-i)	Trust	16,294	0.03	16,294	0.03
c-ii)	Non resident Indians	11,42,749	2.18	11,42,749	2.08
c-iii)	Overseas Corporate Bodies	22,93,690	4.38	22,93,690	4.18
c-iv)	Clearing Member	19,961	0.04	19,961	0.04
c-v)	Hindu Undivided families	9,48,846	1.81	9,48,846	1.73
c-vi)	Employees	271	0	271	0
	Sub total (B) (2)	2,88,19,923	54.98	2,88,19,923	52.52
(B)	Total Public Shareholding (B)=B(1) +B(2)	3,20,33,587	61.11	3,20,33,587	58.38
	Total (A) + (B)	5,24,21,679	100.00	5,48,71,679	100.00

The aforementioned shareholding pattern may change from time to time depending upon the transfer of shares by the existing shareholders and further issue of capital, if any, by the Company during the said period.

Except for Matsyagandha Investments & Finance Pvt. Ltd. which is being issued and allotted 13,10,000 equity shares of Rs.10/- each at the price of Rs.10/- each for cash constituting 2.39% of the total post issue paid up equity capital of the Company and Bloomingdale Investment & Finance Pvt. Ltd. which is being issued and allotted 11,40,000 equity shares of Rs.10/- each at the price of Rs.10/- each for cash constituting 2.08% of the total post issue paid up equity capital of the Company none of the Promoters/Promoter Group Companies and the Directors/Key Management persons would be subscribing to the Preferential Issue of Equity Shares authorized by this Resolution.

Matsyagandha Investments & Finance Pvt. Ltd. and Bloomingdale Investment & Finance Pvt. Ltd. will be considered as “Persons Acting in Concert with the Promoters” under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

There will be no change in the Board of Directors nor will there be any change in the control over the Company, consequent to the issue of Equity Shares, as aforesaid.

Upon issue of Equity Shares, the said Equity Shares shall be listed on the Bombay Stock Exchange Ltd on which the existing Equity Shares of the Company are listed.

The voting rights would change according to the change in the shareholding pattern of your Company, as indicated above.

These additional 24,50,000 equity shares of Rs.10/- each, will rank pari passu in all respects with the existing equity shares in the Company.

The percentage of post-preferential issue capital that may be held by Matsyagandha Investments & Finance Pvt. Ltd. and Bloomingdale Investment & Finance Pvt. Ltd. will be 10.47% and 11.75% respectively of the paid up Equity Capital of the Company.

All the aforesaid allottees have confirmed that they have not sold any of their existing holdings as on Relevant Date during the six months' period prior to Relevant Date (9th August, 2010 being the "Relevant Date")

The Equity shares to be allotted to Matsyagandha Investments & Finance Pvt. Ltd. and Bloomingdale Investment & Finance Pvt. Ltd. shall be within the limits prescribed under Regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

The issuer company hereby undertakes to recompute the price of securities proposed to be issued as above, in terms of the provisions of Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, whenever it is required to do so and further that if the amount payable on such recomputation is not paid within stipulated period as per Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, the securities allotted shall continue to be locked in till such time the amount is paid by allottees.

A copy of the Auditors' Certificate dated 12-08-2010 certifying that the issue of equity shares is being made in accordance with the requirements contained in the Regulations for Preferential Issues under Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 will be laid before the Annual General Meeting.

The Directors, therefore, recommend the passing of the Special Resolution as set out in Item No. 9 of the accompanying notice.

None of the Directors may be considered as concerned or interested in this Resolution except Mr. Viren Raheja (in respect of allotment to be made to Matsyagandha Investments & Finance Pvt. Ltd. and Bloomingdale Investment & Finance Pvt. Ltd.), who may be deemed to be concerned or interested to the extent of the equity shares which may be issued and allotted to the allottees.

The following documents are available for inspection of Members at the Registered Office of the Company on any working day (except Saturday and Bank Holidays) between 11.00 a.m. to 1.00 p.m. :-

1. A copy of the Auditors' Certificate dated 12-08-2010 certifying that the issue of equity shares is being made in accordance with the requirements contained in the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009.
2. Undertakings given by the proposed allottees that they have not sold any of their existing shareholdings as on Relevant Date during the period of six months prior to the Relevant Date.
3. Copy of Memorandum of Association and Articles of Association of the Company.

Item: 10

The proposed issue of Non Cumulative Redeemable Preference shares (NCRP) on preferential basis is to part-finance working capital requirements of the company and for general corporate purposes.

The Proposed Preferential issue of the NCRP requires the sanction of the members by way of a Special Resolution under the provisions of Sections 80 and 81(1A) of the Companies Act, 1956.

Accordingly, the Company proposes to issue 19,89,000 NCRP Shares of Rs 100/- each at a price of Rs. 100/- per share (face value of Rs. 100/- per share), on a preferential allotment basis to the following:

Name of the Proposed allottees	No. of Preference Shares
Bhupati Investments & Finance Pvt. Ltd.	8,22,000
Distributors (Bombay) Pvt. Ltd.	11,17,000
Kharsundi Chemicals Pvt. Ltd.	50,000

The Directors, therefore, recommend the passing of the Special Resolution as set out in Item No.10 of the accompanying notice.

None of the Directors may be considered as concerned or interested in this Resolution except Mr. S. B. Ghia being interested in the issue and allotment of 9% Non Cumulative Redeemable Preference shares to Bhupati Investments & Finance Pvt. Ltd. & Distributors (Bombay) Pvt. Ltd.

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

Place: Mumbai
Dated: 11th August, 2010

By Order of the Board

S. Ramachandran
Company Secretary

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DIRECTORS' REPORT

To

The Members,

Yours Directors submit the 50th Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

	(Rupees in Lacs)	
	2009-2010	2008-2009
Gross Profit before interest & depreciation	3,071.39	3,197.98
Interest	2,267.96	2,736.36
Depreciation	2,227.88	1,943.43
Operating Profit / (Loss)	(1,424.45)	(1,481.81)
Profit / (Loss) before tax	(1,426.56)	(1,486.89)
Excess Provision of earlier years	(5.90)	—
Provision for Fringe benefit tax	—	23.00
Provision for wealth-tax	2.50	2.00
Deferred Tax Adjustment	(36.29)	(575.36)
Provision for taxation	—	—
Profit / (Loss) after tax	(1,386.87)	(936.53)
Balance of Profit brought forward from previous year	1,255.82	2,192.35
Balance carried to Balance Sheet	(131.05)	1,255.82

2. DIVIDEND:

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

3. OPERATIONS:

The turnover of the company during the year ended 31st March 2010 was Rs. 414.34 Crores compared with Rs. 423.14 Crores during the previous year. This marginal fall in turnover was mainly due to reduction in excise duty applicable during 2009-10. Fibre business showed better realization per kg due to the company's continued thrust in colour / speciality fibres. Polymer business showed over 17% growth in volume due to marginal recovery of global economy and improved domestic markets.

The company suffered an operating loss of Rs.14.24 crores compared with Rs.14.82 crores during the previous year. Interest burden was less at Rs.22.68

crores (previous year Rs.27.36 crores) due to better working capital management and reduction in borrowing. The cost of power increased substantially compared with previous year due to continuous power cut in the state of Tamilnadu forcing the company to buy power from third parties at a higher cost.

The Net loss for the year stood at Rs.13.87 Crores against Rs.9.37 crores of previous year.

Polyester Staple Fibre business continues to be steady due to the company's thrust on speciality products. Exports did suffer due to lack of orders. Domestic demand however, resulted in better realization.

Polyester resin segment showed substantial increase in volumes of over 17% compared to previous year, predominantly in the domestic market. Exports too showed marginal increase of 10% due to improved signs of moderate recovery in the global economy.

The company is confident to meet the challenges posed by both commodity and speciality players by its continued thrust on development of niche and specialty products.

Preform division showed reduction in volume due to increased tolling contract resorted to MNC's as well as the company's thrust in reducing its dependence on commodity performs.

Biomass and heater project commenced in 2007-08 continues to help the company in cutting the cost of steam generation and thermic fluid heating.

The company's initiative on cost reduction of utilities, efforts on Safety, Health and environment and human resources development and training are on track.

4. RIGHTS ISSUE OF EQUITY SHARES:

The Board of Directors of the Company decided not to proceed with the proposed Rights Issue of Equity shares due to unfavourable market conditions. However, the promoters have brought in substantial funds to finance Company's needs.

5. FIXED DEPOSITS AND LOANS:

As on 31st March, 2010, the Company had an aggregate sum of Rs.425.79 lacs as fixed deposits from Public / Shareholders. The total number of depositors who have not claimed / renewed their deposits on maturity was 74 and the amount that remained unclaimed / not renewed as on 31st March, 2010 was Rs.13,49,000/-; of these, deposits amounting to Rs.1.06 lacs have since been either repaid or / renewed.

6. INSURANCE:

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

7. 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.

8. 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.

9. 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.

10. DIRECTORS:

Mr. K. V. K. Murthy, Director is retiring by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. A brief profile of Mr. K.V.K. Murthy is given in the explanatory statement annexured to the Notice of the Annual General Meeting.

Mr. Viren Raheja is retiring by rotation, but is not seeking re-election. It is not proposed to fill this vacancy.

11. 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, 2010 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

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detecting fraud and other irregularities.

4. The Directors have prepared the annual accounts on a 'going-concern' basis.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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
Date: 11th August, 2010

S. B. GHIA
Chairman

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 2009-10.

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken

- Based on the plant requirements Dowtherm heater pump-impeller was trimmed to reduce power consumption.
- Variable speed drive was commissioned for I.D fan to reduce consumption of electricity.
- VAM – Waste heat recovery chiller has been tuned finer to obtain 250 TR output.

2. Additional Investment under implementation

- Fire – Hydrant system for Bio-mass system is being planned for the First half of 2010-11.
- Additional Waste heat recovery VAM with 250 TR is planned during First Half of 2010-11

3. Energy saving activities Plan 2010-11

- Long term contract with one of the Private Wind - Power Producers for purchase of 80 % of power requirements of the company has been signed to tap the natural wind power to the maximum.

Form A

FORM OF DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

	Current Year 2009-10	Previous Year 2008-09
1) Electricity:		
— Unit [Kwh] in lacs	767.28	629.06
— Total amount [Rs. In lacs]	5133.10	2574.13
— Rate per unit - Rupees	6.69	4.09

2) Furnace Oil

— Quantity [KL/MT]	3087	5720.68
— Total amount [Rs. In lacs]	667.88	1168.66
— Average rate [Rs. Per Kg]	21.64	20.43

B. CONSUMPTION PER UNIT OF PRODUCTION

	Current Year 2009-10	Previous Year 2008-09
Name of product		
Electricity kwh/kg		
i) Polyester Staple Fibre	1.28	1.25
ii) Resin	0.75	0.61
iii) Preforms	1.28	1.34
Average	1.10	1.06
Furnace Oil [KL/MT]		
i) Polyester Staple Fibre	0.07	0.10
ii) Resin	0.04	0.10
Average	0.06	0.10
BIOMASS		
	Current Year	Previous Year
	MT	MT
	Spec. Cons	Spec. Cons
i) Polyester Staple Fibre	32096	1.19
ii) Resin	11958	0.40
iii) Preforms	—	—
Average	0.80	0.49

**Form B
(See Rule-2)**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A) RESEARCH & DEVELOPMENT (R&D)

Received four patents for various polyester resins, One Indian Paten (Futura Green PET) and three US Patents (Futura clear fast reheat, Futura Clear CPET & Futura fast crystallizing PEN).

Developed Pasteurisable PET resin for Juices & Flavoured drinks with UV protection for containers

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made with standard blowing process not demanding neither heat setting nor Vacuum panels

- c) Developed WeldPET resin as an alternative to PETG for Blister, Visibility packaging and for making Monolayer, Multi layer sheets for sealing application
- d) Developed Special Barrier PET resin for meat packaging application where the containers are made by thermoforming process.
- e) Developed Polyester resin for Monofilaments which are used in the paper manufacturing industry.
- f) Developed master batch silica PET resin for catering the needs of Film/Sheet/food application for manufacturers in India & Abroad
- g) Process improvements and Recipe modification carried out in Flame retardant polyester, High IV Recycle PET and Film PET for improved properties and processing.

Benefits Derived as a result of the above

Company's IPR valuation is enhanced.
 Wider market opportunities for resin & Fibres.
 Improved quality and productivity / Lower cost.
 Wider product mix for polymers.
 Conservation of natural resources for down stream processor.

EXPENDITURE ON R & D

	(Rupees in Lacs)
Capital	Nil
Recurring	29.80
Total	29.80
Percentage of Turnover	0.07

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1.a) Technology Upgradation

- 1. Process improvements & modifications done for improving FR PET products.

- 2. Silica induction in Film PET technology modified & improved.
- 3. High IV recycle grade & special Polymer for specialty Master Batch Applications developed.
- 4. Short neck (PCO1881) introduced to one of the Preform products.
- 5. High-shrink-Fibre is developed for specific products.

b) Adaptation

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

2. Benefits derived as a result of the above

Broad basing the products range and the customers base as well.
 Expanding the existing markets.
 Improved customer satisfaction.
 Better compliance with environment.

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

FOREIGN EXCHANGE EARNING & OUTGO:

The Company is focusing in European Union, U.K. and U.S. market to avail of export opportunities considering the present economic scenario.

	(Rupees in Lacs)
Foreign Exchange Earning	9680.52
Foreign Exchange Outgo	18004.73

MANAGEMENT DISCUSSION & ANALYSIS REPORT: 2009-10

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is engaged in the manufacturing and marketing activities of Polyester products namely Polymer, Performs and Polyester staple Fibre (PSF). The corporate focus is on manufacture and sale of “Specialty products” across all segments as well as environmental friendly green products.

The global melt down severely impacted the entire petrochemical supply chain. Consequently businesses of polyester yarns, fibres, resins were under severe strain.

Fibre demand in the domestic sector showed growth, especially in the specialty fibre sector in which the operate. Demand for black fibres and colour fibres went up, from both branded as well as unbranded sector.

PET resin business in the country and abroad grew on annualised basis. Large capacities added recently in Middle East and USA resulted in price-pull, since their cost structure is quite advantageous. Domestic PET market for both carbonated soft drinks and water grew at around 20%. But the domestic industry of PET producers targeted exports due to over capacity, with volumes reaching more than 50%.

PET Preform business saw growth of many small and medium size players. MNC's overall are rapidly shifting from glass to PET leading to growth of this industry. However, they are also putting huge pressure on the conversion price, which is influenced by very low operating costs of new machines.

2. OPPORTUNITIES AND THREATS

Our company's 'niche' and 'green' products are unique and highly competitive.

Polyester fibre market, especially black and dope dyed colour fibre markets, offer a great potential and are yet to be exploited fully. Our company also has introduced high shrink fibres, flame retardant fibres, V-Flex fibres that show lots of opportunity for growth.

Polyesters resin segment, has opened up subsequently for specialty application. Great opportunity lies ahead for replacing multi layer containers with our monolayer specialities. Company is coming out with new resins for heat

sealing applications, thermoforming, barrier applications etc.

Preform business supplies mainly to MNC's whose business is growing at an annual growth rate of 20% minimum. Shift of consumer preference from tap water to bottled water is visible. Economic growth and especially the middle income level growth offers a huge potential in fruit juice segment.

Power (electricity) situation in the state of Tamilnadu continues to be a major concern. With demand growing rapidly, supplies can't match. The power cut as well as peak hour rationing puts lot of strain on process performance. Price in the open market to supplement the gap has become costlier. In addition the ailing grid contributes to frequent power failures, affecting smooth operations.

The Company has put in place a comprehensive plan with majority feed from wind based private power supplier to overcome the problem.

3. PERFORMANCE

Polyester Fibre sales during the year under review decreased marginally by 6%. This was mainly due to reduction in volume of local sales due to company's strategy of concentration more on speciality segment. These efforts saw improvement in sales realisation. In exports the margins are affected due to continued global economic scenario. Reduction in volume has resulted in overall reduction in turnover, especially in fibre business. However, substantial thrust of specialities more particularly in fibre resulted in improving the unit contribution.

The polyester resin industry showed improvement of over 20% compared to previous year mainly due to domestic supplies. Export segment showed improvement in volume even though unit realisation continued to be contract due to the global economic situation. Debottlenecking and major repairs and maintenance planned in the year could not be carried out due to difficult cash flow situation affecting the company's ability to cater to better product mix. Polymer segment suffered a significant increase in the manufacturing cost and erosion of margin due to unsatisfactory capacity utilisation.

Preform business showed stable volume. However, the value came down due to increased tolling

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contract undertaken by the company for MNC's. The company's strategy is to develop specialities and focus on domestic segment.

The gross turnover of the company for the year ended 31st March, 2010 was Rs.414.34 crores compared with Rs.423.14 crores during the previous year. The fall of turnover is marginal at 2% which was due to change in the excise duty structure as well as increase tolling business undertaken by the preform segment. The higher cost of energy due to power cut and consequent purchases of power from third parties on higher cost, lower volume especially in fibres, increase in raw material cost have all contributed to the net loss of Rs.13.87 Crores.

The fall of turnover is marginal at 2% which was predominant due to tolling business undertaken by the preform segment. The higher cost of energy due to power cut and consequent purchases of power from third party on higher cost, lower volume especially in fibres, increase in raw material costs have also contributed to the net loss of Rs. 13.87 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 progressing to add more coloured Fibres as well as specialities 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 still unfavourable, 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, specialty products and selective debottlenecking. With the sign of global economic revival, commodity resin exports are also expected to grow. Polymers will continue to focus more on niche products such as PTRPET, Thermoforming Specialities, PBT, Jarpet, 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. There is substantial growth in

Preform market and your company is evaluating various opportunities, both for additional capacity as well as in niche market such as small CSD bottles, 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 specialities, the prices of specialities show reducing trend as these are all linked to commodity product prices. The interest burden, high borrowings 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 2009-10 ended with an operating loss of Rs.14.24 crores (as compared with operating loss of Rs.14.82 crores incurred during the last year). The net turnover (including other income) during the year was Rs.387.30 crores (compared with Rs.389.40 crores during the previous year).

8. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Industrial Relations remained cordial throughout the year. The number of permanent employees on roll of the Company is 734.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-10

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

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:

Seven Board Meetings were held during the year on 29th April, 2009, 30th June, 2009, 31st July, 2009, 9th September, 2009, 30th October, 2009, 29th January, 2010, 23rd March, 2010.

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

Name of the Director	Category of Director	No. of Directorship in other Boards	No. of membership of other Board Committees	No. of Chairmanship of other Board Committees	No. of Board Meetings Attending during the year ended 31.3.2010	Attendance at last AGM
Mr. S. B. Ghia	EP	5	6	2	6	Present
Mr. M. D. Dalal	EP	1	1	Nil	7	Present
Mr. Shyam Sunder Sami	NEI	2	3	2	5	Present
Mr. Viren Raheja	NE	4	4	Nil	Nil	Absent
Mr. K. V. K. Murthy	NEI	Nil	Nil	Nil	5	Absent
Mr. M. Saravanan	NEI	Nil	Nil	Nil	3	Absent

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

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. 4

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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 Sunder 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. 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 2009-2010 Four Audit Committee Meetings were held; the dates of the meetings were 30th June, 2009, 31st July, 2009, 30th October, 2009, 29th January, 2010. 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	3
Mr. M. Saravanan	Member	3

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:

No meeting was held during the year. 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, 2010.

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	11,38,911	1% commission of net profits *	Please see Note 'a' and 'c'	Please see Note 'b'
M.D. Dalal	12,46,982	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 01.04.2009 to 31.03.2014.
- (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. M.D. Dalal with the Company.

Remuneration of Non-executive Directors as per Accounts for the financial year ended 31st March, 2010.

Name of Directors	Relationship with other Directors	Sitting fees of Board/ Committee meetings (Gross amount Rs.)
Mr. Shyam Sunder Sami	—	45,000
Mr. Viren Raheja	—	—
Mr. K. V. K. Murthy	—	40,000
Mr. M. Saravanan	—	30,000

Company has provided for the year Rs. 191.62 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, 2010 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, is the member of Committee.

The Company Secretary Mr. S. Ramachandran functions as the Secretary of the Committee. During the financial year ended March 31, 2010, meetings of the Shareholders /Investors Grievance Committee were held on April 29, 2009, July 31, 2009, October 30, 2009 and January 29, 2010.

Attendance at Shareholders/Investors Grievance Committee Meetings:

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

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

Shareholders' / Investors' Complaints

Particulars of Complaints	No. of Complaint
Complaints pending as on April 1, 2009	Nil
Complaints received during 2009-2010	18
Complaints identified and reported under Clause 41 of the Listing Agreement	18
Complaints disposed off during the year ended March 31, 2010	18

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.

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			
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.
2008-2009	09 th September, 2009	Jaihind College Auditorium “A” road, Churchgate, Mumbai - 400 020	3.30 p.m
Extraordinary General Meetings			
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 passed in previous two 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 18 to Schedule 18 of 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.

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 Exchanges for the financial year ended 31st March, 2010 was placed before the Board of Directors of the Company in its meeting held on 11th August, 2010.

7. Means of Communication:

Quarterly Results.	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.futurapolymesters.com
Email – id for investors Grievance	Investorrelations@futurapolymesters.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/Nav Shakti
Whether Management Discussion & Analysis 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	Wednesday the 08 th September 2010, at 3.00 p.m. at M.C.Ghia Hall, Bhogilal Hargovindas Bldg. 2nd Floor 18/20 K.Dubash Marg, Mumbai 400001.
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 – May (audited).
Date of Book Closure	4 th September, 2010 to 8 th September, 2010. (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 2009-2010. Bombay Stock Exchange Limited

Year	Month	High Rate (Rs.)	Low Rate (Rs.)	
2009	April	5.43	4.30	
	May	7.59	4.55	
	June	7.82	5.80	
	July	6.91	4.89	
	August	9.76	5.75	
	September	8.99	7.05	
	October	8.38	6.90	
	November	8.75	6.00	
	December	9.89	8.00	
	2010	January	10.70	8.65
		February	10.00	8.60
		March	11.00	8.50

SENSEX information for the year April, 2009 to March, 2010.

Month	SENSEX			
	Open	High	Low	Close
April, 2009	9745.77	11492.10	9546.29	11403.25
May, 2009	11635.24	14930.54	11621.30	14625.25
June, 2009	14746.51	15600.30	14016.95	14493.84
July, 2009	14506.43	15732.81	13219.99	15670.31
August, 2009	15694.78	16002.46	14684.45	15666.64
September, 2009	15691.27	17142.52	15356.72	17126.84
October, 2009	17186.20	17493.17	15805.20	15896.28
November, 2009	15838.63	17290.48	15330.56	16926.22
December, 2009	16947.46	17530.94	16577.78	17464.81
January, 2010	17473.45	17790.33	15982.08	16357.96
February, 2010	16339.32	16669.25	15651.99	16429.55
March, 2010	16438.45	17793.01	16438.45	17527.77

Registrar and Transfer Agents

Satellite Corporate Services Pvt. Ltd.
B-302, Sony Apartments, Opp St. Jude's High School,
Off Andheri – Kurla Road, Jarimari, Mumbai – 400 072.
Phone: 28520461, 28520462
Fax: 28511809.
E-mail: service@scspl.net

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 31,242 with an average interval of 30 days between approvals.

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010

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	32,012	84.62	44,32,462	4,43,24,620	8.46
5,001 —	10,000	3,080	8.14	24,96,807	2,49,68,070	4.76
10,001 —	20,000	1,421	3.76	21,27,948	2,12,79,480	4.06
20,001 —	30,000	440	1.16	11,20,878	1,12,08,780	2.14
30,001 —	40,000	191	0.50	6,79,916	67,99,160	1.30
40,001 —	50,000	179	0.47	8,43,221	84,32,210	1.61
50,001 —	1,00,000	251	0.67	18,60,985	1,86,09,850	3.55
1,00,001 and above		258	0.68	3,88,59,462	38,85,94,620	74.12
TOTAL		37,832	100.00	5,24,21,679	52,42,16,790	100.00

Shareholding pattern as on 31.03.2010:

	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	32,06,311	6.12
3	Others		
	Indian Public	2,07,02,465	39.49
	Private Corporate Bodies	46,74,871	8.92
	NRIs / OCBs	34,28,672	6.54
	Foreign Bank	7,353	0.01
	Any other (Clearing Member)	13,915	0.03
	GRAND TOTAL	5,24,21,679	100.00

Dematerialization of shares and liquidity

90.01% of the value of the paid-up Share Capital comprising of 4,71,86,028 no of shares have been dematerialised as on March 31, 2010.

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, 2010, 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: 11th August, 2010

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, 2010, 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, 2010, 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
Firm Regn. No.108296W

CA. Y.N.THAKKAR

Partner

Membership No.33329

Place: Mumbai

Dated: 11th August, 2010


FUTURA POLYESTERS LIMITED
FIVE YEARS' FINANCIAL REVIEW

(Rupees in Lacs)

	2005-06	2006-07	2007-08	2008-09	2009-10
Gross Sales & Services	52,138.73	56,328.40	45,827.10	42,313.94	41,433.53
Net Sales (Net of Excise)	47,115.19	51,706.42	41,362.76	37,888.38	37,784.29
Gross Profit / (Loss) Before Depreciation, Investment Allowance Reserve & Taxation	527.70	3,284.73	3,520.47	456.54	3,654.44
Depreciation	1,481.75	1,570.98	1,693.42	1,943.43	2,227.88
Profit / (Loss) Before Taxation	(954.05)	1,713.75	1,827.05	(1,486.89)	(1,426.56)
Provision for Taxation	—	192.28	203.83	—	—
Provision for Wealth Tax	2.00	2.00	2.00	2.00	2.50
Provision for Fringe Benefit Tax	43.00	23.00	28.00	23.00	—
Deferred Tax Adjustment	140.74	433.94	466.61	(575.36)	(36.29)
Excess Provision of Earlier Years	—	—	(1.17)	—	(5.90)
Profit / (Loss) After Taxation	(1,139.79)	1,062.53	1,127.78	(936.53)	(1,386.87)
Assets:					
Gross Fixed Assets	42,311.84	44,413.64	62,466.73	65,967.83	69,277.82
Depreciation	21,438.63	23,776.81	25,997.55	28,662.85	31,673.30
Net Fixed Assets	20,873.21	20,636.83	36,469.18	37,304.98	37,604.52
Investments	2,378.91	2,381.22	2,621.11	448.76	558.59
Deferred Tax Asset	975.13	541.19	74.57	649.94	686.23
Current Assets, Loans and Advances	16,422.19	16,462.81	20,043.34	17,674.58	15,904.99
Total Assets	40,649.44	40,022.05	59,208.20	56,078.26	54,754.33
Liabilities and Provisions:					
Current Liabilities and Provisions	12,611.99	11,871.57	15,849.68	13,832.16	14,232.42
Bank Overdraft	4,239.10	3,993.18	3,940.72	3,930.26	3,808.99
Short Term Loans and Deposits	4,662.89	4,437.61	4,327.35	6,673.21	7,474.90
Long Term Borrowings	6,234.90	6,610.93	7,644.70	8,385.76	8,223.48
Total Liabilities and Provisions	27,748.88	26,913.29	31,762.45	32,821.39	33,739.79
NET WORTH:					
Represented by:					
Share Capital	5,242.17	5,242.17	5,242.17	5,242.17	5,242.17
Reserves and Surplus	7,725.56	7,880.36	22,213.93	18,019.97	15,775.53
Less: Miscellaneous Expenditure	67.17	13.77	10.35	5.27	3.16
Shareholders' Funds:	12,900.56	13,108.76	27,445.75	23,256.87	21,014.54
General:					
% of Profit / (Loss) Before Taxation to Net Sales	(2.02)	3.31	4.42	(3.92)	(3.78)
% of Profit / (Loss) After Taxation to Net Sales	(2.42)	2.05	2.73	(2.47)	(3.67)
Earning / (Loss) per Equity Share (Rs.)	(2.17)	2.03	2.15	(1.79)	(2.65)
Current Ratio	1.30	1.39	1.26	1.28	1.12
Liquid Ratio	0.97	1.04	1.01	1.00	0.88
Debt / Equity Ratio	0.45	0.48	0.28	0.35	0.38

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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, 2010 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, 2010 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, 2010;
 - 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

CA Y. N. THAKKAR
Partner

Place: Mumbai
Date: 18th May, 2010

Membership No. 33329
Firm Regn. No.108296W

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 amounting to Rs. 717 Lacs from three parties listed in the register maintained under section 301 of the Companies Act, 1956. The balance of the loans at the year end taken from such parties is amounting to Rs. 2,852 Lacs.
- (f) The Loans taken from the two parties listed under section 301 are interest free and there are no terms and conditions for their repayment. In respect of Loan taken from a party the rate of interest and terms and conditions on which loan has been taken is not prima facie prejudicial to the interest of the Company.
- (g) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest other than the two parties listed in the register maintained under section 301;
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems 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 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

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31st March, 2010 for a period of more than six months from the date of becoming payable;

- (b) The disputed statutory dues aggregating to Rs.1679.15 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

CA Y. N. Thakkar
Partner

Place: Mumbai
Date: 18th May,2010

Membership No: 33329
Firm Regn.No. 108296W

Disputed amounts under various statutes

ANNEXURE - I				(Rupees in Lacs)
Sr. No.	Name of the Statute	Nature of Dues	Forum where dispute is pending	Amount
1	Central Excise Act	Excise Duty	Central Excise Commissioner Appeals	53.20
2	Central Excise Act	Excise Duty	CESTAT	116.10
3	Central Excise Act	Excise Duty	High Court	265.96
4	Central Excise Act	Excise Duty	Supreme Court	121.00
5	Central Excise Act	Service Tax	CESTAT	603.18
6	Central Excise Act	Service Tax	Supreme Court	6.37
7	Income Tax Act	Income Tax	Supreme Court	324.09
8	Income Tax Act	Income Tax	High Court	189.25
Total				1679.15

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Lacs)
As at
31.03.2009

	SCHEDULE	As at 31.03.2010		As at 31.03.2009
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	5,242.17	5,242.17	
Reserves and Surplus	2	15,775.53	18,019.97	
		21,017.70		23,262.14
LOAN FUNDS				
Secured Loans	3	12,032.47	12,316.02	
Unsecured Loans	4	7,474.90	6,673.21	
		19,507.37		18,989.23
		40,525.07		42,251.37
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	68,311.22	65,075.84	
Less: Depreciation		31,673.30	28,662.85	
Net Block		36,637.92	36,412.99	
Capital Work-in-Progress		966.60	891.99	
		37,604.52		37,304.98
INVESTMENTS	6	558.59		448.76
DEFERRED TAX ASSET		686.23		649.94
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7	8,379.21	9,996.90	
Sundry Debtors	8	3,080.92	3,364.64	
Cash and Bank Balances	9	2,024.33	1,388.06	
Loans and Advances	10	2,420.53	2,924.98	
		15,904.99	17,674.58	
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11	13,559.51	13,004.41	
Provisions	12	672.91	827.75	
		14,232.42	13,832.16	
NET CURRENT ASSETS		1,672.57		3,842.42
MISCELLANEOUS EXPENDITURE	13	3.16		5.27
(to the extent not written off or adjusted)		40,525.07		42,251.37
NOTES FORMING PART OF THE ACCOUNTS	18			

As per our Report Annexed
For **N. M. RAIJI & CO.,**
Chartered Accountants
C A Y. N. THAKKAR
Partner
Membership No. 33329
Firm Regn. No. 108296W
Mumbai, 18th May, 2010

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, 18th May, 2010

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Lacs)

	SCHEDULE	<u>2009-10</u>	<u>2008-2009</u>
INCOME			
Sales		41,433.53	42,313.94
Less: Excise duty		3,649.24	4,425.56
Sales (Net)		37,784.29	37,888.38
Other Income	14	945.93	1,051.59
		38,730.22	38,939.97
EXPENDITURE			
Manufacturing and Other Expenses	15	35,116.99	34,949.88
Interest	16	2,267.96	2,736.36
Depreciation		3,085.45	2,815.85
Less: Transfer from Revaluation Reserve		(857.57)	(872.42)
		39,612.83	39,629.67
(Less) / Add: (Increase) / Decrease in Stock	17	541.84	792.11
		40,154.67	40,421.78
OPERATING PROFIT / (LOSS)		(1,424.45)	(1,481.81)
EXTRA ORDINARY ITEM			
Less: Voluntary Retirement Scheme		2.11	5.08
PROFIT / (LOSS) BEFORE TAX		(1,426.56)	(1,486.89)
Excess Provision of Earlier Years - Fringe Benefit Tax		(5.90)	—
Provision for Fringe Benefit Tax		—	23.00
Provision for Wealth Tax		2.50	2.00
Provision for Deferred Tax (Refer Note No.20 of Sch. 18)		(36.29)	(575.36)
PROFIT / (LOSS) AFTER TAX		(1,386.87)	(936.53)
Balance brought forward from Previous Year		1,255.82	2,192.35
BALANCE CARRIED TO BALANCE SHEET		(131.05)	1,255.82
Earning per Share - Basic		(2.65)	(1.79)
Earning per Share - Diluted		(2.65)	(1.79)
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
C A Y. N. THAKKAR
Partner
Membership No. 33329
Firm Regn. No. 108296W
Mumbai, 18th May, 2010

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, 18th May, 2010

CASH FLOW STATEMENT FOR THE YEAR 2009-10

	<u>2009-10</u>	<u>(Rupees in Lacs)</u> <u>2008-09</u>
(A) CASH FLOW FROM OPERATIONS		
Net Profit / (Loss) before tax and extra-ordinary item	(1,424.45)	(1,481.81)
Adjustment for		
Depreciation	2,227.88	1,943.43
Foreign Exchange Fluctuation (Net)	(293.73)	722.93
Interest / Dividend Income	(11.63)	(10.88)
Interest Expenses	2,267.96	2,736.36
Profit / (Loss) on Sale of Fixed Assets (Net)	5.24	5.43
Provision for Doubtful Debts / Advances	—	6.77
Provision for Diminution in the value of Investments	7.00	—
Provision no longer required written back	(211.24)	(327.50)
Credit balances written back	(1.11)	(364.39)
	3,990.37	4,712.15
Operating Profit before working capital changes	2,565.92	3,230.34
Adjustment for		
Trade and Other Receivables	855.45	314.03
Inventories	1,617.69	1,828.84
Trade Payables	918.53	(2,042.56)
	3,391.67	100.31
Cash generated from operations	5,957.59	3,330.65
Direct Taxes (Paid)	(63.88)	(241.96)
Cashflow before extra-ordinary item	5,893.71	3,088.69
Extra Ordinary Item	—	—
NET CASH FROM OPERATING ACTIVITIES (A)	5,893.71	3,088.69
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,414.15)	(3,666.54)
Disposal of Fixed Assets	23.93	9.43
Sale / Purchase of Investments	(116.83)	(212.66)
Interest Received	1.06	3.84
Dividend Received	10.57	7.04
	(3,495.42)	(3,858.89)
NET CASH USED IN INVESTING ACTIVITIES (B)	(3,495.42)	(3,858.89)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment / Proceeds from Long Term borrowings	(283.55)	730.60
Proceeds from Short Term borrowings	630.02	2,192.71
Interest paid	(2,108.49)	(2,589.20)
	(1,762.02)	334.11
NET CASH USED IN FINANCING ACTIVITIES (C)	(1,762.02)	334.11
NET INCREASE IN CASH AND CASH ACTIVITIES (A + B + C)	636.27	(436.09)
Cash and cash equivalents as on 01.04.2009 (Opening Balance)	1,388.06	1,824.15
Cash and cash equivalents as on 31.03.2010 (Closing Balance)	2,024.33	1,388.06
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	636.27	(436.09)

Notes:

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

As per our Report Annexed
 For **N. M. RAIJI & CO.,**
 Chartered Accountants
C A Y. N. THAKKAR
 Partner
 Membership No. 33329
 Firm Regn. No. 108296W
 Mumbai, 18th May, 2010

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, 18th May, 2010

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SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE 1: SHARE CAPITAL

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
AUTHORISED:		
79,000,000 Equity Shares of Rs.10 each (54,000,000)	7,900.00	5,400.00
100,000 Cumulative Redeemable Preference Shares of Rs.100 each	100.00	100.00
	8,000.00	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 31.03.2010	As at 31.03.2009
CAPITAL RESERVE	95.05	95.05
SECURITIES PREMIUM	4,441.96	4,441.96
GENERAL RESERVE	1,191.14	
Less:- Debit Balance of Profit and Loss A/c.	131.05	1,191.14
REVALUATION RESERVE		
Opening Balance	11,036.00	14,293.43
Less: Write off of Investment in ITIL	—	2,385.01
Less: Transferred to Profit and Loss account (Refer Note No. 2 of Schedule No. 18)	857.57	872.42
	10,178.43	11,036.00
PROFIT AND LOSS ACCOUNT	—	1,255.82
	15,775.53	18,019.97

SCHEDULE 3: SECURED LOANS

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
(A) TERM LOANS		
IDBI Bank Limited (Note No.1) (Repayable within a year Rs.618.86 Lacs, Previous Year Rs. 450.00 Lacs)	1,459.08	1,957.00
AXIS Bank Limited (Note No. 2) (Repayable within a year Rs.250.00 Lacs, Previous Year Rs. Nil)	750.00	750.00
YES Bank Limited (Note No. 2) (Repayable within a year Rs.500.00 Lacs, Previous Year Rs. 500.00 Lacs)	1,250.00	1,750.00
Canara Bank (Note No. 3) (Repayable within a year Rs.234.38 Lacs, Previous Year Rs. Nil)	1,171.50	1,171.84
State Bank of Patiala (Note No. 2) (Repayable within a year Rs.832.80 Lacs, Previous Year Rs. 485.80 Lacs)	1,593.85	2,107.17
Bank of India (Repayable within a year Rs. Nil, Previous Year Rs. 609.99 Lacs)	—	609.99
State Bank of Hyderabad (Note No. 4) (Repayable within a year Rs.500 Lacs, Previous Year Rs. Nil)	1,973.91	—
(B) OTHER LOANS		
Cash Credit and Packing Credit Facilities from Banks (Note No. 5)	3,808.99	3,930.26
Vehicle Loan from Banks (Note No. 6) (Repayable within a year Rs.9.58 Lacs, Previous Year Rs. 25.06 Lacs)	25.14	39.76
	12,032.47	12,316.02

NOTES:
TERM LOANS

- The Term Loan sanctioned by IDBI Bank Ltd are secured by a first charge ranking pari passu inter alia by way of equitable mortgage by deposit of title deeds in respect of the Company's immovable properties at Chinnasekkadu, Manali, Chennai, Tamil Nadu. IDBI Bank Ltd., has a first charge by way of hypothecation of the Company's all movable Fixed Assets both present and future (excluding those specifically charged in favour of the respective term lender). IDBI has a second charge on the current assets (other than book debts).
- The Term Loans sanctioned by Axis Bank Ltd., (formerly UTI Bank Ltd.), Yes Bank Ltd., and State Bank of Patiala are secured/to be secured by a first charge ranking pari passu inter alia by way of equitable mortgage by deposit of title deeds in respect of the Company's immovable properties at Chinnasekkadu, Manali, Chennai, Tamil Nadu. Axis Bank Ltd., Yes Bank Ltd., and State Bank of Patiala have first charge by way of hypothecation of the Company's all movable Fixed Assets both present and future (excluding those specifically charged in favour of the respective term lender). Yes Bank and State Bank of Patiala have a second Pari Passu charge on the current assets of the company.
- The Term Loan from Canara Bank is secured by way of an exclusive charge on certain Machineries which have been acquired/to be acquired under the project finance

by the Bank. Canara Bank also has a Second Charge ranking pari passu secured on the remaining Fixed Assets of the Company.

- The Term Loan from State Bank of Hyderabad is secured by way of an exclusive charge on assets which have been acquired/to be acquired for the specific project for the Loan. It also has first pari passu charge on all the fixed assets of the Company (excluding those specifically charged in favour of the respective Term Lenders) and second pari passu charge created / to be created on Current Assets of the Company.

OTHER LOANS

- Cash Credit and other facilities are secured by first charge by way of joint deed of hypothecation in the favour of consortium banks i.e. Bank of India, State Bank of India, UCO Bank, Union Bank of India, Indian Bank, Canara Bank and State Bank of Hyderabad on Company's movable assets other than those related to plant & machinery. The facilities granted by the Banks to the Company are secured by second mortgage and charge in favour of the said banks ranking after the charge created or to be created in favour of term lenders of the borrowers on the borrower's immovable and movable properties both present and future in the form and manners acceptable to the said bank.
- Vehicle Loan: Secured by specific vehicles.

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SCHEDULE 4: UNSECURED LOANS

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
FIXED DEPOSITS		
From Public, Shareholders, Employees (Repayable within a Year Rs.147.42 Lacs, Previous Year Rs. 197.49 Lacs)	425.79	415.77
Director & Ex Director (Repayable within a Year Rs.767.00 Lacs, Previous Year Rs. 767.00 Lacs)	767.00	767.00
Interest accrued and due on above	1,014.11	842.44
SHORT TERM DEPOSITS		
Inter Corporate Deposits (Repayable within a Year Rs.4,518.00 Lacs, Previous Year Rs. 1,757.00 Lacs)	5,268.00	4,648.00
	7,474.90	6,673.21

SCHEDULE 5: FIXED ASSETS

(Rupees in Lacs)

Sr. No.	Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 1.4.2009	Additions/ Adjustments	Deductions/ Adjustments	Total upto 31.03.2010	As at 1.4.2009	Deductions/ Adjustments	For the Year	Total upto 31.03.2010	As at 31.03.2010
1.	Freehold Land (Refer note no: 1)	14,243.53 (14,243.53)	— (—)	— (—)	14,243.53 (14,243.53)	— (—)	— (—)	— (—)	— (—)	14,243.53 (14,243.53)
2.	Buildings (Freehold)	1,514.04 (1,322.45)	— (191.59)	— (—)	1,514.04 (1,514.04)	678.11 (638.82)	— (—)	43.52 (39.29)	721.63 (678.11)	792.41 (835.93)
3.	Improvement on Leased Buildings	— (23.78)	— (—)	— (23.78)	— (—)	— (23.78)	— (—)	— (—)	— (—)	— (—)
4.	Plant and Machinery	41,935.61 (39,035.17)	196.74 (2,909.25)	33.81 (8.81)	42,098.54 (41,935.61)	26,343.95 (24,040.47)	26.03 (1.60)	2,364.70 (2,305.08)	28,682.62 (26,343.95)	13,415.92 (15,591.66)
5.	Furniture and Fixtures	173.67 (165.31)	2.39 (11.31)	1.04 (2.95)	175.02 (173.67)	145.53 (141.68)	0.59 (1.03)	4.87 (4.88)	149.81 (145.53)	25.21 (28.14)
6.	Motor Car and Vehicles	259.19 (267.37)	31.71 (12.19)	67.28 (20.37)	223.62 (259.19)	151.08 (128.03)	47.47 (15.76)	25.89 (38.81)	129.50 (151.08)	94.12 (108.11)
7.	Air-Conditioning Units and other Equipments	301.07 (392.12)	1.10 (18.48)	2.03 (109.53)	300.14 (301.07)	225.25 (318.73)	0.90 (108.41)	12.32 (14.93)	236.67 (225.25)	63.47 (75.82)
8.	Weigh Bridge	5.62 (5.62)	— (—)	— (—)	5.62 (5.62)	4.47 (4.32)	— (—)	0.15 (0.15)	4.62 (4.47)	1.00 (1.15)
9.	Research and Development									
	(i) Buildings	7.93 (7.93)	— (—)	— (—)	7.93 (7.93)	7.48 (7.43)	— (—)	0.04 (0.05)	7.52 (7.48)	0.41 (0.45)
	(ii) Plant and Machinery	295.70 (295.70)	— (—)	— (—)	295.70 (295.70)	280.90 (280.90)	— (—)	— (—)	280.90 (280.90)	14.80 (14.80)
10.	New Product Development	6,339.48 (4,126.70)	3,107.60 (2,212.78)	— (—)	9,447.08 (6,339.48)	826.08 (413.40)	— (—)	633.95 (412.68)	1,460.03 (826.08)	7,987.05 (5,513.40)
	TOTAL	65,075.84 (59,885.68)	3,339.54 (5,355.60)	104.16 (165.44)	68,311.22 (65,075.84)	28,662.85 (25,997.56)	74.99 (150.58)	3,085.44 (2,815.87)	31,673.30 (28,662.85)	36,637.92 (36,412.99)
	Capital Work-in-Progress (Including Advances on Capital Account)									966.60 (891.99)
	TOTAL									37,604.52 (37,304.98)

NOTES:

- During the year 2007-08 part of the Land has been revalued on 16th February, 2008 based on the valuation report dated 18th February, 2008 of M/s Kanti Karmsey & Co. registered Valuer.

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

SCHEDULE 6: INVESTMENTS

(Rupees in Lacs)

Description	Face Value Per Unit	Holdings Numbers	As at 31.03.2010	As at 31.03.2009
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				
Birla Sunlife Dynamic Bond Fund	Rs.10	—	—	50.00
Birla Sunlife Savings Fund - Institutional (G)	Rs.10	311,957.62	53.83	—
Non Trade:				
Equity Shares				
The Shamrao Vithal Co-operative Bank Limited	Rs.25	1,015	0.25	0.25
Innovassynth Technologies (India) Limited	Rs.10	2,000,000	220.00	220.00
Aarkay Energy (Rameshwaram) Limited	Rs.10	1,575,000	157.50	157.50
Innovassynth Investments Limited	Rs.10	50,000	5.00	5.00
Clarion Wind Farms Pvt. Limited	Rs.10	1,130,000	113.00	—
			625.79	508.96
Less: Provision for Diminution in the value of Investment			67.20	60.20
			558.59	448.76
Aggregate Value of Quoted Investments			76.21	76.21
Aggregate Value of Unquoted Investments			549.58	432.75
Market Value of Quoted Investments			30.70	18.28
SCHEDULE 7: INVENTORIES				
			As at 31.03.2010	As at 31.03.2009
Stores, Spares and Packing Materials			1,526.68	1,751.98
Stock-in-Trade:				
Raw Materials			2,958.75	3,809.30
Semi Finished Goods			2,092.49	1,876.45
Finished Goods			1,801.29	2,559.17
			8,379.21	9,996.90

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SCHEDULE 8: SUNDRY DEBTORS

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
Over Six months		
Considered good	140.34	144.64
Considered doubtful	472.15	519.45
	612.49	664.09
Others: Considered Good	2,940.58	3,220.00
	3,553.07	3,884.09
Less: Provision for doubtful debts	472.15	519.45
	3,080.92	3,364.64

SCHEDULE 9: CASH AND BANK BALANCES

	As at 31.03.2010	As at 31.03.2009
Cash on hand	4.93	12.01
Balances with Scheduled Banks:		
In Current Accounts	935.08	611.97
In Deposit Accounts (Refer Note below)	1,084.32	764.08
	2,024.33	1,388.06

Note: The Banks have a lien over the Fixed deposits kept with them against the non - fund based working Capital limits obtained by the Company.

SCHEDULE 10: LOANS AND ADVANCES

(Unsecured - Considered good unless otherwise stated)

	As at 31.03.2010	As at 31.03.2009
Advances recoverable in Cash or in kind or for value to be received:		
Considered good	1,594.58	1,543.08
Considered doubtful	142.90	147.11
	1,737.48	1,690.19
Less: Provision for Doubtful Advances	142.90	147.11
	1,594.58	1,543.08
Deposit Others	300.39	637.16
Advance Payment of Tax (Net of Provisions)	284.24	216.96
Balances with Excise, Customs, etc.	241.32	527.78
	2,420.53	2,924.98

SCHEDULE 11: CURRENT LIABILITIES

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
Sundry Creditors	11,182.03	9,508.31
Interest accrued but not due	84.86	97.06
Share Application Refund - Right Issue	0.39	0.39
Other Liabilities	1,988.30	3,173.55
Advance from Customers	303.93	225.10
	<u>13,559.51</u>	<u>13,004.41</u>

SCHEDULE 12: PROVISIONS

	As at 31.03.2010	As at 31.03.2009
Provision for Leave encashment	89.68	85.35
Provision for Gratuity	541.43	697.10
Provision for Superannuation	41.80	45.30
	<u>672.91</u>	<u>827.75</u>

SCHEDULE 13: MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

	As at 31.03.2010		As at 31.03.2009
Deferred Revenue Expenses			
Voluntary Retirement Scheme	5.27	10.35	
Less: Amortisation	<u>2.11</u>	<u>5.08</u>	<u>5.27</u>
	<u>3.16</u>		<u>5.27</u>

SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010
SCHEDULE 14: OTHER INCOME

(Rupees in Lacs)

	2009-2010	2008-2009
Dividend on Investments	10.57	7.04
Interest Others (TDS Rs.Nil, Previous Year Nil)	1.06	3.84
Provision no longer required written back	211.24	327.50
Miscellaneous Income	428.22	348.82
Foreign Exchange Fluctuations (Net)	293.73	—
Sundry Credit Balances written back	1.11	364.39
	<u>945.93</u>	<u>1,051.59</u>

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SCHEDULE 15: MANUFACTURING AND OTHER EXPENSES

(Rupees in Lacs)

	2009-2010	2008-2009
Raw Material Consumed:		
Opening Stock	3,809.30	4,158.16
Add: Purchases	20,570.43	20,128.42
	24,379.73	24,286.58
Less: Cost of Raw Materials sold	242.92	251.75
	24,136.81	24,034.83
Less: Closing Stock	2,958.75	3,809.30
	21,178.06	20,225.53
Stores, Spares, Packing Materials and Process		
Chemicals consumed	3,613.91	4,009.55
Salaries, Wages and Bonus		
(including Directors' Remuneration)	1,997.89	2,220.45
Contribution to Provident Fund and Other Funds	274.90	270.90
Staff Welfare	322.25	355.56
Power and Fuel	7,595.22	5,846.55
Rent	177.03	238.37
Rates and Taxes	110.04	41.38
Sales Tax	0.23	0.81
Insurance	61.23	84.17
Repairs to:		
Building	10.77	39.01
Plant and Machinery	119.77	281.21
Others	432.47	347.81
Directors' Fees	1.15	1.50
Auditors' Remuneration:		
Audit Fees	12.13	12.13
Fees for Taxation Matters	5.00	8.58
Certification Services	8.52	14.12
Out-of-pocket Expenses	0.86	2.36
Travelling and Conveyance	66.54	258.12
Freight	671.89	510.38
Legal, Professional and Technical Fees	290.68	254.86
Commission and Brokerage on Sales	334.29	350.40
Claims Others	49.37	71.55
Miscellaneous Expenses	861.24	982.23
Loss on Sale of Fixed Assets (Net)	5.24	5.43
Bad Debts / Advances Written Off	16.91	—
Provision for Doubtful Debts / Advances	—	6.77
Foreign Exchange Fluctuations (Net)	—	722.93
Provision for Diminution in value of Investments	7.00	—
	38,224.59	37,162.66
Less: Expenses Capitalised (Refer Note.No.8 of Schedule 18)	3,107.60	2,212.78
	35,116.99	34,949.88

SCHEDULE 16: INTEREST

(Rupees in Lacs)

	2009-2010	2008-2009
On Fixed Loans	1,176.01	1,115.83
On Other Loans	1,091.95	1,620.53
	2,267.96	2,736.36

SCHEDULE 17: (INCREASE) / DECREASE IN STOCKS

OPENING STOCK:

Semi Finished Goods	1,876.45	1,809.78
Finished Goods	2,559.17	3,417.95
	4,435.62	5,227.73

CLOSING STOCK:

Semi Finished Goods	2,092.49	1,876.45
Finished Goods	1,801.29	2,559.17
	3,893.78	4,435.62
(Increase) / Decrease in Stock	541.84	792.11

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.

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D. Inventories

Inventories are valued as under:

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)

E. Sales

Sale of goods is recognised on despatch to customers. Sales include amounts recovered towards excise duty, but exclude amounts recovered towards sales tax.

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.

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 recognised 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. 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

3. Estimated amount of contracts remaining to be executed on capital account paid and not provided on 31st March, 2010 Rs.105.96 Lacs, (net of advances). (Previous year Rs.424.80 Lacs).

4. a) Contingent Liabilities:

Sr. No	Items	Rs.in Lacs
(i)	Regarding Income tax on account of disputes raised by the Income tax department under the Income tax, Act 1961.	
	Supreme Court	324.09 (—)
	Madras High Court	303.73 (—)
	Tribunal Mumbai	(—) (79.88)
(ii)	Service Tax and Penalty demanded on technology transfer agreement.	
	CESTAT	603.18 (486.00)
	Service Tax demand on Goods Transport Agency during the Year 1997-98.	6.37 (6.29)
	Service tax credit denial on outward freight and canteen services 2005-06, 2006-07, 2007-08 and 2008-09	
	Commissioner Appeals	40.14
	CESTAT	16.76
	TOTAL	56.90 (73.02)

Sr. No	Items	Rs.in Lacs	(Rs.in Lacs)	
			2009-10	2008-09
(iii)	Central Excise: Claims against the company on various issues pending Commissioner Appeals CESTAT High Court TOTAL	13.06 111.91 267.77 392.74 (448.23)		
(iv)	Central Excise: Method of calculation of duty under notification 2 / 95 & other valuation issues. Supreme Court CESTAT TOTAL	121.00 0.56 121.56 (126.33)		
(v)	Sales Tax on Input use for Exports (1999-2000 and 2000-2001).	9.00 (9.00)		
(vi)	Sales Tax on Interest collected (1997-98 & 2000-2001) CST levied on Interest charges collected from customers.	4.40 (4.40)		
(vii)	Guarantees given by the Company.	3,300.00 (3,313.00)		
(viii)	Penalty Demanded by Tamilnadu Electricity Board disputed by the Company and stay order issued by the High Court of Madras	— (193.97)		
*All the above amounts are excluding Interest.				
b)	Claims against the Company not acknowledged as debts Rs.173.40 Lacs (Rs. 173.40 Lacs)			
5)	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.			
6)	EMPLOYEE BENEFITS			
(a)	Gratuity - Fibre Defined benefits plan (Funded) - As per actuarial valuation as on March 31, 2010.			
				(Rs. in Lacs)
		2009-10	2008-09	
I	Change in Obligation during the year ended March 31, 2010			
1.	Present Value of Defined Benefit Obligation at beginning of the year	697.10	723.50	
2.	Current Service Cost	29.48	35.33	
3.	Interest Cost	53.21	49.74	
4.	Actuarial (Gains) / Losses	(174.52)	(85.28)	
5.	Benefits Paid	63.84	26.19	
6.	Present value of Defined Benefit Obligation at the end of the year.	541.43	697.10	
II	Change in Assets during the Year ended March 31, 2010			
1.	Plan assets at the beginning of the year.	697.10	22.56	
2.	Settlements	—	—	
3.	Expected return on plan assets	55.76	0.90	
4.	Contribution by Employer	72.00	3.00	
5.	Actual benefits paid	63.84	(26.19)	
6.	Actuarial Gains / (Losses)	(55.77)	0.40	
7.	Plan Assets at the end of the year	705.25	0.67	
III	Net Asset /(Liability) recognized in the Balance Sheet as at March 31, 2010			
1.	Present Value of Defined Benefits Obligation as at March 31, 2010.	541.43	697.10	
2.	Fair value of plan assets as at March 31, 2010	705.25	0.67	
3.	Fund status (Surplus / (Deficit))	163.82	(696.43)	
4.	Net Assets / (Liability) as at March 31, 2010	163.82	(696.43)	
IV	Expenses recognized in the statement of Profit & Loss for the year ended March 31, 2010.			
1.	Current Service Cost	29.48	35.33	
2.	Interest Cost	53.21	49.74	
3.	Expected return on plan assets	55.76	0.90	
4.	Net Actuarial (Gains) / Losses	(118.75)	(85.68)	
5.	Total Expenses	(91.82)	(1.51)	
V	The major categories of plan assets as a percentage of total plan Insurer Managed Funds			
VI	Actuarial Assumptions:			
1.	Discount Rate	8%	7%	
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	
Gratuity - Polymers & Preforms				
(a)	Defined benefits plan (Funded) - As per actuarial valuation as on March 31, 2010			
				(Rs. in Lacs)
		2009-10	2008-09	
I	Change in Obligation during the year ended March 31, 2010			
1.	Present Value of Defined Benefit Obligation at beginning of the year	41.79	38.60	
2.	Current Service Cost	3.38	3.06	
3.	Interest Cost	3.34	2.82	
4.	Actuarial (Gains) / Losses	(1.33)	4.12	
5.	Benefits Paid	(5.13)	(6.81)	
6.	Present value of Defined Benefit Obligation at the end of the year.	42.05	41.79	

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		(Rupees in Lacs)			
		<u>2009-10</u>	<u>2008-09</u>		
II	Change in Assets during the Year ended March 31, 2010				
	1. Plan assets at the beginning of the year.	38.70	40.68		
	2. Settlements	—	—		
	3. Expected return on plan assets	3.84	3.04		
	4. Contribution by Employer	6.51	1.42		
	5. Actual benefits paid	(5.13)	(6.81)		
	6. Actuarial Gains / (Losses)	—	0.37		
	7. Plan Assets at the end of the year	43.92	38.70		
III	Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2010				
	1. Present Value of Defined Benefits Obligation as at March 31, 2010	42.05	41.79		
	2. Fair value of plan assets as at March 31, 2010	43.92	38.70		
	3. Fund status (Surplus / (Deficit))	(1.87)	3.09		
	4. Net Assets / (Liability) as at March 31, 2010	(1.87)	3.09		
IV	Expenses recognized in the statement of Profit & Loss for the year ended March 31, 2010				
	1. Current Service Cost	3.38	3.06		
	2. Interest Cost	3.34	2.82		
	3. Expected return on plan assets	(3.84)	(3.04)		
	4. Net Actuarial (Gains) / Losses	(1.33)	3.75		
	5. Total Expenses	1.55	6.59		
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 recognised 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:				
	Fibre	(Rupees in Lacs)			
		<u>2009-10</u>	<u>2008-09</u>		
	Present value of Defined benefit obligation	541.43	697.10		
	Fair Value of Plan Assets	705.25	0.67		
	Surplus / (deficit)	163.82	(696.43)		
	Resin & Preforms				
	Present value of Defined benefit obligation	42.05	41.79		
	Fair Value of Plan Assets	43.92	38.70		
	Surplus / (deficit)	1.87	(3.09)		
	7. Revenue expenses on Research and Development have been regrouped under the respective heads:				
	Salaries, Wages and Bonus		27.47		
			(48.60)		
	Contribution to Provident Fund and Other Funds		1.73		
			(2.73)		
	Stores, Spares, etc. consumed		0.60		
			(0.48)		
	TOTAL		29.80		
			(51.81)		
	8. Expenses Capitalized in Schedule 15 includes:				
	Raw Material		2,838.52		
			(1,773.45)		
	Stores and Spares		—		
			(—)		
	Legal, Professional & Technical fees		27.67		
			(51.86)		
	Salaries and Wages		230.15		
			(238.71)		
	Traveling Expenses - Foreign Travel		11.26		
			(122.22)		
	Others		—		
			(26.54)		
	TOTAL		3,107.60		
			(2,212.78)		
	9. Remuneration and perquisites of Chairman & 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		1.58		
			(2.15)		
	Other perquisites as calculated under Income Tax Act, 1961		3.56		
			(3.16)		
	TOTAL		23.86		
			(24.03)		


FUTURA POLYESTERS LIMITED

	UNIT	QUANTITY	(Rupees in Lacs)		(Rupees in Lacs)
10. Consumption of Raw Materials:				12. Value of Imports calculated on CIF basis:	
Purified Terephthalic Acid	M.Ts.	23,896	10,696.09	Raw Materials	17,196.90
		(20,736)	(7,611.88)		(13,571.66)
Mono-Ethylene Glycol	M.Ts.	9,974	3,775.29	Stores and Spares	663.15
		(8,917)	(3,301.47)		(675.81)
Pet Chips	M.Ts.	40,563	6,205.85	13. Expenditure incurred in foreign currency on account of:	
		(39,216)	(8,688.62)	Travelling	14.56
Others			500.83		(7.29)
			(623.56)	Others	130.12
TOTAL			21,178.06		(125.69)
			(20,225.53)	14. Earnings in Foreign Exchange:	
11. Value of Imported / Indigenous Raw Materials, Stores and Spares consumed:	Amount	%		Export of Goods calculated on FOB basis (Excluding Deemed Exports)	9,164.77
Raw Materials:					(8,537.67)
Imported at Landed Cost	17,306.93	81.72		Insurance and Freight	515.75
	(13,398.65)	(66.25)			(350.11)
Indigenous	3,871.13	18.28		Others	—
	(6,826.88)	(33.75)			(77.94)
TOTAL	21,178.06	100.00		TOTAL	9,680.52
	(20,225.53)	(100.00)			(8,965.72)
Stores and Spares, Packing Material and Process Chemicals:	Amount	%		15. Interest received on Margin Money placed for Working Capital amounting to Rs. 68.36 lacs (Previous Year Rs. 102.33 lacs) Tax Deducted at Source Rs. 5.51 lacs (Previous Year Rs. 17.99 lacs) has been netted off against the Interest expenses incurred on Working Capital.	
Imported at Landed Cost	655.96	18.15		16. Balances of Sundry Debtors, Sundry Creditors and deposits are subject to confirmation and reconciliation.	
	(669.91)	(16.71)			
Indigenous	2,957.95	81.85			
	(3,339.64)	(83.29)			
TOTAL	3,613.91	100.00			
	(4,009.55)	(100.00)			

17. 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 01.04.2009		Closing Stock as at 31.03.2010		Sales during the year	
						Quantity	Rupees	Quantity	Rupees	Quantity	Rupees
1	Polyester Staple Fibre/Chips	M.Ts.	N.A.	38,500	27,027	475	317.16	349	259.07	27,153	19,512.33
				(38,500)	(28,938)	(697)	(432.99)	(475)	(317.16)	(29,160)	(19,998.86)
2	Amorphous Grade	M.Ts.	N.A.	58,000	1,253	1,455	919.27	769	433.89	1,939	1,367.98
				(58,000)	(3,500)	(1,574)	(1,085.34)	(1,455)	(919.27)	(3,619)	(3,021.39)
3	Solid State Polymer	M.Ts.	N.A.	57,000	18,423	939	835.75	583	686.61	18,779	13,009.62
				(57,000)	(13,517)	(1,485)	(1,138.97)	(939)	(835.75)	(14,063)	(9,978.29)
4	PET Preform	M.Ts.	N.A.	20,000	15,188	361	470.43	207	405.16	15,342	7,543.60
				(20,000)	(15,511)	(652)	(716.09)	(361)	(470.43)	(15,802)	(9,284.48)
5	Custom Synthesis	M.Ts.					16.56		16.56		
					(—)	(1)	(41.00)	(—)	(16.56)	(1)	(27.34)
6	Ciba Products	M.Ts.									
					(—)	(1)	(3.58)	(—)	(—)	(1)	(3.58)
7	Others										
							(—)	(—)	(—)	(—)	(—)
TOTAL							2,559.17		1,801.29		41,433.53
							(3,417.97)		(2,559.17)		(42,313.94)

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.

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18 Related Party Transactions: (As Certified by the Management)

1 Relationships

- | | | |
|----|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| a) | Subsidiary Companies | Nil |
| b) | Associates | Nil |
| c) | Key Management Personnel | |
| 1 | Mr. Shyam Bhupatirai Ghia | Chairman & Managing Director |
| 2 | Mr. Mukund Dharamdas Dalal | Joint Managing Director |
| d) | Key Management Personnel / Directors having Significant Influence | |
| 1 | Innovassynth Technologies (India) Limited | Mr. Shyam Bhupatirai Ghia, Mr. Viren Rajan Raheja and Shyam Sami are Common Directors. |
| 2 | Innovassynth Investments Limited | Mr. Shyam Bhupatirai Ghia is a Common Director |
| 3 | Sonata Software Limited | Mr. Shyam Bhupatirai Ghia, Mr. Mukund Dharamdas Dalal and Mr. Viren Rajan 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 Pvt. Ltd. | Significant influence of Mr. Viren Rajan Raheja |
| 13 | Bloomingle Investments & Finance Pvt. Ltd. | Significant influence of Mr. Viren Rajan Raheja |
| 14 | Matsyagandha Investments & Finance Pvt. Ltd. | Significant influence of Mr. Viren Rajan Raheja |
| 15 | Beach Plaza Contractors & Developers Pvt. Ltd. | Significant influence of Mr. Viren Rajan Raheja |

18(a). RELATED PARTY TRANSACTIONS DURING THE YEAR 2009-10

(Rupees in Lacs)

Sr. No.	Nature of Transaction	Key Management Personnel	Company in which key Mgmt Personnel have significant influence	Relatives of Key Management Personnel
1	Receiving of Services	— (—)	1.85 (52.54)	— (—)
2	Interest Paid	1.87 (1.87)	7.58 (9.31)	— (—)
3	Sale of Goods & Services	— (—)	— (30.91)	— (—)
4	Claims For Expenses	— (—)	401.92 (221.90)	— (—)
5	Remuneration/Sitting Fees	23.86 (24.03)	— (—)	— (0.05)
6	Inter Corporate Deposit Given and received back 2009-10	— (—)	— (246.00)	— (—)
7	Deposits received	17.00 (17.00)	1,000.00 (2,891.00)	— (—)
8	Amount outstanding as on 31.03.10 receivables	— (—)	715.15 (687.79)	— (—)
9	Deposits / Amount outstanding as on 31.03.10 payable	17.00 (17.00)	3,858.01 (2,962.98)	— (—)

19. EARNINGS PER SHARE		(Rupees in Lacs)	
Sr. No.	PARTICULARS	31.03.2010	31.03.2009
1	Profit / (Loss) after Tax - Rs. in Lacs	(1,386.87)	(936.53)
2	Weighted average number of equity shares-Basic (Nos)	52,421,679	52,421,679
3	Weighted average number of equity shares-Diluted (Nos)	52,421,679	52,421,679
4	Earnings Per Share (Basic) Rs.	(2.65)	(1.79)
5	Earnings Per Share (Diluted) Rs.	(2.65)	(1.79)
20. DEFERRED TAX:		As at	As at
		31.03.2010	31.03.2009
Deferred Tax Liability:			
a.	Related to Fixed Assets	2,281.11	2,468.62
b.	Others	35.77	43.98
	A	2,316.88	2,512.60
Deferred Tax Asset:			
a.	Carried forward Loss	2,796.52	2,901.74
b.	Others	206.59	260.80
	B	3,003.11	3,162.54
Deferred Tax Asset / Liability Net (B-A)		686.23	649.94

21 The Company operates in one segment i.e Polyesters Products.

22 Figures in bracket pertain to Previous Year.

23 Figures of the Previous Year have been regrouped wherever necessary to confirm to Current Years Classification.

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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. State Code
 Balance Sheet Date

ii. **Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	Right Issue
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Bonus Issue	Private Placement
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iii. **Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	Total Assets
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Sources of funds	
Paid-up Capital	Reserves & Surplus
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Secured Loans	Unsecured Loans
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Deferred Tax Liability	
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Application of funds

Net Fixed Assets	Investments
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Net Current Assets	Misc. Expenditure
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Accumulated Losses	Deferred Tax Asset
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iv. **Performance of company (Amount in Rs. Thousands)**

Turnover	Total expenditure
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Profit / (Loss) Before Tax	Profit / (Loss) After Tax
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Earning per share (Rs.)	Dividend
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v. **Generic Names of Three Principal product/ services of Company (as per monetary terms)**

b) Item Code No. (ITC code)
 Product Description

c) Item Code No. (ITC code)
 Product Description

d) Item Code No. (ITC code)
 Product Description

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
C A Y. N. THAKKAR
 Partner
 Membership No. 33329
 Firm Regn. No. 108296W
 Mumbai, 18th May, 2010

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, 18th May, 2010