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Independent Auditor's Report

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To,
The Members of
FUTURA POLYESTERS LIMITED

Report on the audit of the financial statements

We have audited the accompanying standalone financial statements of FUTURA POLYESTERS LIMITED ('the Company') which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also do not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Adverse Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

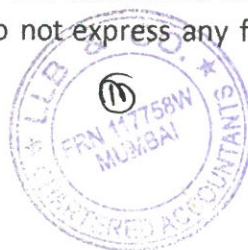


1. Attention is invited to :

- i. Note No. 19 for assuming 'going concern basis' despite closure of manufacturing operation, sale of all the immovable assets of the company, suffering recurring losses from discontinued operations, having negative net worth and initiating recovery proceedings by banks under SARFAESI Act, 2002 and thus have substantial uncertainty about the intention of the company to continue as a 'going concern'.
- ii. Note No. 7 regarding amounts of bank balances in current and deposit account of Rs. 244.84 Lakhs (Previous Year Rs. 476.06 Lakhs) which are subject to adjustment against the agreed liability of the banks and thus the liability of banks is overstated and consequently the Cash & Cash Equivalents are overstated.
- iii. Non provision of Interest on amounts payable to workers amounting to Rs. 274.91 Lakhs (Previous Year Rs. 274.91 Lakhs) and thus the liability of the Workers are understated by Rs. 274.91 Lakhs and consequently the losses of the company have been understated.
- iv. Trade Payable, Trade Receivable, Loans, Advances, deposit, other current liabilities and other current assets are subject to confirmation, reconciliation and consequent adjustment as to its recoverability and payment obligation, effect thereof shall be recognised in the year of such confirmation /reconciliation. The amount of such impact is unascertainable.
- v. Note No. 24 (b) regarding contingent liabilities of Rs. 1745.97 Lakhs (Previous Year Rs. 1916.20 Lakhs), details thereof is not available for verification.
- vi. Note No. 14 Non provision of Interest on amounts payable on Term Loan amounting to Rs. 5540.89 Lakhs and thus the liability of the Term Loans are understated by Rs. 5540.89 Lakhs and consequently the losses of the company have been understated.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon:

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexure to Director's Report, Business Responsibility Report, Corporate Governance and Information for Shareholder, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

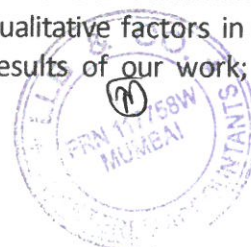
Auditor's Responsibility for the Audit of Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- i. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to



evaluate the effect of any identified misstatements in the Standalone Financial Statements.

- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2. As required by section 143 (3) of the Act, based on our audit we report to the extent applicable:
 - a. We have sought and 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 those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act



- f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses a adverse opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. The company was required to be transfer an amount of Rs. 6,94,000/- to the Investor Education and Protection Fund which has not been transferred.

For **LLB & Co.**
Chartered Accountants
Firm’s Registration No.: 117758W


CA Manju Choudhary
Partner

Membership No.: 195166
UDIN: 20195166AAAABF3654
Place: Mumbai
Date: 28th September, 2020



Annexure- A referred to in paragraph titled as “Report on other Legal and Regulatory Requirements” of Auditor’s report to the members FUTURA POLYESTERS LIMITED for the year ended 31st March 2020.

The annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- i. (a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The company has a regular programme of physical verification of its fixed assets by which fixed assets were physically verified during the year by management. According to the information and explanations given to us, no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. (a) As explained to us, the company does not hold any inventories. Accordingly, paragraph 3(ii)(a), (b) and (c) of the Order is not applicable.
- iii. The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of loans, investments, guarantees and security.
- v. According to the information and explanation given to us, the company has not accepted any deposit during the year to which the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 apply.
- vi. As per information & explanation given by the management the company do not have any operations thus the requirement of maintenance of cost records under sub-section (1) of section 148 of the Act are not applicable to the company.
- vii. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally **not** been regularly deposited with the appropriate authorities. According to the information and explanations given to us there are undisputed amount payable in respect of the wealth tax, income tax, property tax, excise duty, service tax and others were

outstanding as at 31st March 2020 for a period of more than six months from the date they became payable

Statement of arrears of statutory dues outstanding for more than six months.

Name of the Statute	Nature of Dues	Amount (Rs. In lacs)
Employees Provident Fund Act, 1948	Provident Fund - Penalty	3.11
Excise Act, 1944	Excise Duty	88.13
Tamil Nadu Vat Act	VAT	28.37
Finance Act, 1994	Service Tax	9.66
Foreign Trade (Development and regulation) Act, 1992	Penalty for advance license	52.00
Income Tax Act, 1961	Tax Deducted at Source	181.17
	Professional Tax	4.24
Central Sales Tax Act, 1956	CST	3241.95
Various Statutes	ESIC, Labour Welfare Fund, EPS etc.	2.71

- (b) According to the information and explanations given by the management, the details of dues of income tax/ sales tax/ wealth tax/ custom duty/ excise duty/ cess, which have not been deposited with the appropriate authorities on account of dispute, are given in the Appendix to this report.
- (c) According to the information and explanations given to us the company was required to transfer an amount of Rs. 6,94,000/- to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under, which has **not been transferred**.
- viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues of financial institution/banks to the tune of Rs 146 Crores. However, the OTS offered to the lenders was valid till 31-12-2016 only. The Company has made a proposal for fresh OTS to Bank of India (the lead bank) along with other banks namely (SBI, Canara Bank, Union Bank of India, IDBI Bank, Axis Bank, Phoenix ARC Pvt. Ltd, Reliance ARC Pvt. Ltd) dated 22nd July, 2019 for Rs.165 crores. The period of OTS will be one year from the date of final approval of the lenders. The OTS was approved by the Bank of India (the lead bank) along with Phoenix ARC dated 19th August, 2019.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.



- x. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration.
- xii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

For **LLB & Co.**

Chartered Accountants

Firm's Registration No.: 117758W



CA Manju Choudhary

Partner

Membership No.: 195166

UDIN: 20195166AAAABF3654

Place: Mumbai

Date: 28th September, 2020



Appendix to Auditor's Report

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Name of the Statute	Nature of Dues	Amount (Rs In lacs)	Assessment to which the matter pertains	Forum where dispute is pending
The Central Excise Act, 1944, Service Tax Act, 1994	Excise Duty	4588.43	Various Periods	Various Forums
	Service Tax	501.76	Various Periods	CESTAT
		82.92	Various Periods	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax, Interest	957.61	2014-15	Commissioner (Appeals)
		12592.81	2013-14	Commissioner (Appeals)
		1.50	2012-13	Commissioner (Appeals)
		0.34	2011-12	Commissioner (Appeals)
		449.03	2008-09	ITAT
		131.60	2007-08	ITAT
Govt. of Maharashtra - Irrigation Department	Water Charges	185.38		High Court
Foreign Trade (Development and regulation Act, 1992)	Penalty	52.00	2010-11, 2011-12	Joint Director General

*The Customs, Excise and Service Tax Appellate Tribunal



Annexure- B referred to in paragraph titled as “Report on the Internal Financial Controls under clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013” (“the Act”)

We have audited the internal financial controls over financial reporting of FUTURA POLYESTER LIMITED (“the Company”) as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an **inadequate** internal financial controls system over financial reporting and such internal financial controls over financial reporting were **not** operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LLB & Co.

Chartered Accountants

Firm's Registration No.: 117758W



CA Manju Choudhary

Partner

Membership No.: 195166

UDIN: 20195166AAAABF3654

Place: Mumbai

Date: 28th September, 2020



FUTURA POLYESTERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	For the Current Year ended 31.03.2020	For the Current Year ended 31.03.2019
(A) CASH FLOW FROM OPERATIONS		
Net Profit / (Loss) before tax and extra-ordinary item	-	-
Add : Profit from discontinuing operations	(20,05,82,816)	(59,07,86,236)
Adjustment for		
Foreign Exchange Fluctuation (Net)	-	1,50,21,237
Interest / Dividend Income	(3,045)	(3,045)
Interest Expenses	17,90,59,180	32,19,82,160
Loss / (Profit) on Sale of Fixed Assets (Net)	(1,38,49,666)	(14,73,68,013)
Provision for Doubtful Debts / Advances and Bad Debts w/off	-	-
Loss on Gift to CMDA	-	-
Loss/(Profit) on sale of investment	17,155	10,000
Provision no longer required written back	-	(9,64,249)
	<u>16,52,23,625</u>	<u>18,86,78,090</u>
Operating Profit before working capital changes	(3,53,59,192)	(40,21,08,146)
Adjustment for Working Capital Changes		
Trade and Other Receivables	(38,068)	(61,97,958)
Other Current Liabilities	12,84,62,904	26,35,80,520
Short Term Provisions	38,068	38,23,90,882
Trade Payables	1,66,32,021	84,52,955
	<u>14,50,94,925</u>	<u>64,82,26,399</u>
Cash generated from operations	10,97,35,733	24,61,18,253
Direct Taxes (Paid) / Refund	-	-
Cashflow before extra-ordinary item	10,97,35,733	24,61,18,253
NET CASH FROM OPERATING ACTIVITIES	(A) <u>10,97,35,733</u>	(A) <u>24,61,18,253</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Addition of Fixed Assets	(21,41,390)	-
Disposal of Fixed Assets	1,52,20,998	3,71,84,064
Sale / Purchase of Investments	3,69,345	-
Short Term Loans & Advances	(8,41,242)	(12,68,599)
Interest Received/Dividend Received (Net)	3,045	3,045
	<u>1,26,10,755</u>	<u>3,59,18,510</u>
NET CASH USED IN INVESTING ACTIVITIES	(B) <u>1,26,10,755</u>	(B) <u>3,59,18,510</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from Short Term borrowings	3,13,27,217	4,63,91,821
Proceeds / (Repayment) from Non Current liabilities	21,77,321	-
Interest paid	(17,90,59,180)	(32,19,82,160)
	<u>(14,55,54,643)</u>	<u>(27,55,90,339)</u>
NET CASH USED IN FINANCING ACTIVITIES	(C) <u>(14,55,54,643)</u>	(C) <u>(27,55,90,339)</u>
NET INCREASE IN CASH AND CASH ACTIVITIES (A + B + C)	<u>(2,32,08,154)</u>	<u>64,46,423</u>
Cash and cash equivalents (Opening Balance)	4,77,14,120	4,12,67,697
Cash and cash equivalents (Closing Balance)	2,45,05,966	4,77,14,120
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	<u>(2,32,08,154)</u>	<u>64,46,423</u>

Notes :

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

See accompanying notes to the financial statements
As per our report attached

For LLB & Co.
Chartered Accountants
FRN: 117758W

Manju Choudhary
Manju Choudhary
Partner

M. No.: 195166
UDIN: 20195166AAAABF3654
Mumbai
Date: 28th September, 2020



For and on Behalf of the Board

S. B. Ghia

S.B. Ghia
(Chairman and Managing Director)
DIN: 00005264

M. D. Dalal

M.D. Dalal
(Joint Managing Director)
DIN : 00005275
Mumbai
Date: 28th September, 2020



Particulars	Note No.	As at 31/03/2020	As at 31/03/2019
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	1,01,46,51,153	1,01,84,52,971
(b) Other Intangible Assets		-	-
(c) Lease Assets	4	21,41,390	-
(d) Deferred Tax Assets (Net)		-	-
Total Non-Current Assets		1,01,67,92,544	1,01,84,52,971
(2) Current Assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments	5	25,375	4,11,875
(i) Trade Receivables	6	5,34,327	5,34,327
(ii) Cash and Cash Equivalents	7	2,45,05,966	4,77,14,120
(iii) Loans and Advances	8	7,00,15,854	6,91,74,612
(c) Other Current Assets	9	38,22,64,623	38,22,26,555
(d) Current Tax Asset (Net)		-	-
Total Current Assets		47,73,46,145	50,00,61,490
Total Assets		1,49,41,38,689	1,51,85,14,461
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	54,87,16,790	54,87,16,790
(b) Other Equity	11	(4,51,08,36,521)	(4,29,80,30,759)
Total Equity		-3,96,21,19,731	-3,74,93,13,969
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities	12	11,85,97,571	10,88,05,111
(b) Lease Liabilities	13	21,77,321	-
(c) Deferred Tax Liability (Net)		-	-
Total Non-Current Liabilities		12,07,74,892	10,88,05,111
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	2,59,39,67,109	2,56,26,39,893
(i) Trade Payables	15	49,90,33,542	48,24,01,521
(ii) Other Current Liabilities	16	1,85,31,08,921	1,72,46,46,017
(b) Provisions	17	38,93,73,955	38,93,35,887
Total Current Liabilities		5,33,54,83,527	5,15,90,23,318
Total Equity & Liabilities		1,49,41,38,689	1,51,85,14,461

Summary of Significant Accounting Policies

2

This is the Balance Sheet referred to in our report of the even date.

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For LLB & Co.

Chartered Accountants

Firm Registration No.: 117758W

Manju Choudhary

Manju Choudhary

Partner

M. No.: 195166

UDIN: 20195166AAAA BF 3654

Place:- Mumbai

Date: 28th September, 2020

For and on behalf of the Board of Directors

S. B. Ghia

S. B. Ghia

(Chairman and Managing Director)

DIN: 00005264

M. D. Dalal

M. D. Dalal

(Joint Managing Director)

DIN : 00005275

Date: 28th September, 2020



FUTURA POLYESTERS LIMITED

Statement of Profit and Loss for the period ended March 31, 2020 (Discontinued Operations) CIN NO.L65192MH1960PLC011579

Particulars	Note No	Period ended	
		March 31, 2020	March 31, 2019
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I + II)		-	-
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense		-	-
Financial costs		-	-
Depreciation and amortization expense		-	-
Other expenses		-	-
Total Expenses		-	-
V. Profit before Tax		-	-
VI. Exceptional Item		-	-
VII. Profit before tax (V - VI)		-	-
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Excess/(Short) provision of tax for earlier years		-	-
IX. Profit/(Loss) from the period from continuing operations (VII-VIII)		-	-
X. Profit/(Loss) from discontinuing operations	18	(20,05,82,816)	(59,07,86,236)
XI. Tax expense of discounting operations		-	-
XII. Profit/(Loss) from Discontinuing operations (XII - XIII)		(20,05,82,816)	(59,07,86,236)
XIII. Profit/(Loss) for the period (IX + XII)		(20,05,82,816)	(59,07,86,236)
XIV. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		-	-
Tax Effect on above		-	-
Other Comprehensive Income for the year, net of tax		(97,92,460)	(89,83,908)
Total Comprehensive Income for the period		(21,03,75,276)	(59,97,70,144)
XV. Earnings per equity share			
- Basic and Diluted		(3.66)	(10.77)

See accompanying notes to the financial statements
As per our report attached

For LLB & Co.
Chartered Accountants
FRN: 117758W



Manju Choudhary

Manju Choudhary
Partner

M. No.: 195166

UDIN: 20195166AAAABF3654

Mumbai

Date: 28th September, 2020

For and on Behalf of the Board

Suyash Ghia

S.B. Ghia
(Chairman and Managing Director)
DIN: 00005264



M.D. Dalal

M.D. Dalal
(Joint Managing Director)
DIN : 00005275

Date: 28th September, 2020

FUTURA POLYESTERS LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

	Amount
Balance as at 1st April 2019	54,87,16,790
Changes in equity share capital during the year	-
Balance at 31st March 2020	54,87,16,790
Changes in equity share capital during the year	-
Balance at 31st March 2020	54,87,16,790

A. Other Equity

	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Profit & Loss	Other Comprehensive Income	
Balance as at 1st April 2018	95,05,827	44,41,95,713	-	67,98,49,109	(4,89,93,46,583)	(82,42,118)	(3,77,40,38,053)
Less : General Reserve transferred to Revaluation			-	-			-
Less: Profit on sale of Plots and Gift to CMDA				(3,15,43,477)			(3,15,43,477)
Profit/(Loss) for the year	-	-	-	-	(59,07,86,236)		(59,07,86,236)
Other Comprehensive Income for the year, net of income tax						(89,83,908)	(89,83,908)
Balance as at 31st March 2019	95,05,827	44,41,95,713	-	64,83,05,632	(5,49,01,32,819)	(1,72,26,026)	(4,40,53,51,674)
Profit/(Loss) for the year	-	-	-		(20,05,82,816)		(20,05,82,816)
Other Comprehensive Income for the year, net of income tax						(97,92,460)	(97,92,460)
Transferred to Revaluation Reserve							-
Profit on Transfer of Plots transferred to Profit & Loss A/c				(24,30,486)			(24,30,486)
Balance as at 31st March 2020	95,05,827	44,41,95,713	-	64,58,75,146	(5,69,07,15,635)	(2,70,18,486)	(4,61,81,57,436)

See accompanying notes to the financial statements
As per our report attached

For LLB & Co.
Chartered Accountants
FRN: 117758W

Manju Choudhary

Manju Choudhary
Partner
M. No.: 195166
UDIN: 20195166AAAABF3654
Mumbai
Date: 28th September, 2020



For and on Behalf of the Board

S. B. Ghia

S.B. Ghia
(Chairman and Managing Director)
DIN: 00005264



M. D. Dalal

M.D. Dalal
(Joint Managing Director)
DIN : 00005275
Date: 28th September, 2020

Futura Polyesters Ltd.

Notes Forming Part of the Financial Statements

1. Corporate Information

The equity shares of the company are listed on BSE Ltd. (BSE).

The address of its registered office is 111, T.V.Industrial Estate, S. K. Ahire Marg, Worli, Mumbai – 400030

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting and Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards)Amendment Rules, 2016.

The financial statements are presented in Indian Rupees (INR) and the values are not rounded off, except otherwise indicated.

b. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c. Property, Plant and Equipment:

Freehold land is stated at cost / Revalued Amount and not depreciated. Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

Fixed Assets are stated at cost / revalued amount 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 capitalized along with the cost of the assets.

d. Depreciation and Amortization:

Depreciation on tangible fixed assets of the Company has been provided on the Written down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

e. Allowance for Expected Credit Losses:

The expected credit allowance is based on the aging of the day's receivables which are past due and the rate derived based on past history relating to amount certainty.



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f. 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 recognize a decline, other than temporary, in value of long term investments.

g. 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 realizable value. (Weighted average method)

Traded items: at lower of cost or net realizable value. (Weighted average method)

h. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income is accounted on accrual basis. Dividend from investment is recognized as revenue when right to receive is established.

i. Export Incentives:

Export Incentives are accounted on an accrual basis.

j. 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 yearend 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.

k. 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 amortized over a period of 10 years.

l. Employee Benefits:

i. Defined Contribution Plan

Company's contributions paid /payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognized in the Profit and Loss Account. There are no other obligations other than the contribution payable to the respective trust/fund. Company's Contribution towards Superannuation and ESIC is based on a percentage of salary which is made to an approved fund.

ii. Defined Benefit Plan



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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.

m. Taxes on Income:

- i. Current Tax: Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
- ii. Deferred Tax Provision: Deferred Tax is recognized 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 recognized 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 realized.

n. Segment Reporting:

- i. The company does not have any segments.

o. Critical Accounting Judgements and key sources of Estimation Uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



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3. Property, Plant & Equipment

	March 31, 2020	March 31, 2019
Carrying Value at the beginning	1,018,452,971	1,055,637,035
Add: Additions	-	-
Less: Deduction	3,801,818	37,184,064
Carrying value at the end	1,014,651,153	1,018,452,971

4. Lease Assets

	March 31, 2020	March 31, 2019
Carrying Value at the beginning	-	-
Add: Additions	2,409,064	-
Less: Deduction	267,674	-
Carrying value at the end	2,141,390	-

5. Current Investments (At lower of Cost or Fair Value)

	March 31, 2020			March 31, 2019	
	Face Value	Numbers of Shares / Units	Amount (Rs.)	Numbers of Shares / Units	Amount (Rs.)
Equity					
Quoted					
Innovassynth Investments Limited	10	-	-	50,000	386,500
Unquoted					
SVC Co-operative Bank Limited	25	1,015	25,375	1,015	25,375
Innovassynth Technologies (I) Ltd.					
FPL Properties Developers Pvt. Ltd.					
			25,375		411,875
Less: Provision for Diminution			-		-
			25,375		411,875

Aggregate Cost Of Quoted Investments		500,000
Aggregate Cost Of Unquoted Investments	25,375	25,375
Market Value of Quoted Investments		386,500

6. Trade Receivables

	March 31, 2020	March 31, 2019
Debts outstanding for a period more than six months		
Unsecured		
Considered Good	534,327	534,327
	534,327	534,327

7. Cash and Cash Equivalents

	March 31, 2020	March 31, 2019
Current account*	19,973,207	43,239,843
Deposit account**	4,511,410	4,366,729
Cash in hand	21,349	107,548
	24,505,966	47,714,120

** Lodged with banks as Margin Money and for Bank Guarantee, and subject to adjustment against OTS (Maturity details not available)

*Includes earmarked balances aggregating to Rs. 56,776/- towards settlement of Workers Union Settlement.

8. Short Term Loans & Advances

	March 31, 2020	March 31, 2019
Unsecured, Considered good unless otherwise stated		
Other Loans and Advances		
Advance Receivable in Cash or Kind or for Value to be Received		
Considered good	9,378,332	8,825,160
Loans and Deposits	28,943,612	28,891,160
Advance Payment of Tax (Net of Provision)	31,693,911	31,458,293
	70,015,854	69,174,612

9. Other current assets

	March 31, 2020	March 31, 2019
Other Receivables	382,264,623	382,226,555
	382,264,623	382,226,555

Notes: Applicable to Note 9

a) The above represents the amount receivable from Golden Star Promoters Pvt. Ltd. (GSPL) towards sale proceeds of all movable and immovable assets of the company in terms of MOU dated 19-12-2012.



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FUTURA POLYESTERS LIMITED
NOTES FORMING PART OF THE ACCOUNTS AS ON MARCH 31, 2020

10. Equity Share Capital

	March 31, 2020	March 31, 2019
Authorised		
60,000,000 (Previous year 60,000,000) Equity Shares of Rs. 10 each	600,000,000	600,000,000
2,000,000 (Previous year 2,000,000) 9% Non Cumulative Redeemable Preference Shares of Rs. 100 each	200,000,000	200,000,000
	800,000,000	800,000,000
Issued, Subscribed and Fully paid up		
54,871,679 (Previous year 54,871,679) Equity Shares of Rs. 10 each	548,716,790	548,716,790
	548,716,790	548,716,790

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2020		March 31, 2019	
	Number of Shares	Amount (Rs)	Number of Shares	Amount (Rs)
(a) Equity shares				
Number of shares at the beginning	54,871,679	548,716,790	54,871,679	548,716,790
Issued during the year	-	-	-	-
Number of shares at the end	54,871,679	548,716,790	54,871,679	548,716,790
(b) 9% Non Cumulative Redeemable Preference Shares				
Number of shares at the beginning	1,989,000	198,900,000	1,989,000	198,900,000
Issued during the year	-	-	-	-
Number of shares at the end	1,989,000	198,900,000	1,989,000	198,900,000

(b) Terms / rights attached to equity shares

The Company has equity shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other rights as available to the equity shareholders as per the provisions of Companies Act, 1956 read together with the Memorandum of Association and Articles of Association of the Company as applicable.

(c) Terms / rights attached to preference shares

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.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020	
	No. of Shares held	% of Holding
Bhupati Investments and Finance Private Limited	8,347,971	15.21%
Ruchit Bharat Patel	5,000,000	9.11%
Hardik B Patel	6,391,620	11.65%
	As at March 31, 2019	
	No. of Shares held	% of Holding
Bhupati Investments and Finance Private Limited	8,347,971	15.21%
Ruchit Bharat Patel	5,000,000	9.11%
Hardik B Patel	6,391,620	11.65%



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11. Other Equity

	March 31, 2020	March 31, 2019
Capital Reserve	9,505,827	9,505,827
Securities Premium Account	444,195,713	444,195,713
General Reserve	-	-
Revaluation Reserve	645,875,146	648,305,632
Surplus	(5,690,715,635)	(5,490,132,819)
Other Comprehensive Income	80,302,429	90,094,889
	(4,510,836,521)	(4,298,030,759)

Capital Reserve

Opening	9,505,827	9,505,827
Closing	9,505,827	9,505,827

Securities Premium Account

Opening	444,195,713	444,195,713
Closing	444,195,713	444,195,713

General Reserve

Opening	-	-
less: Transferred to Revaluation Reserve	-	-
Closing	-	-

Revaluation Reserve

Opening	648,305,632	679,849,109
Add: Transferred from General Reserve	-	-
Less: Profit on Sale of Plots	2,430,486	31,543,477
Less: Gift to CMDA	-	-
Closing	645,875,146	648,305,632

Surplus

Opening	(5,490,132,819)	(4,899,346,583)
Add: Profit/(Loss) during the year	(200,582,816)	(590,786,236)
Closing	(5,690,715,635)	(5,490,132,819)

Other Comprehensive Income

Opening	90,094,889	99,078,797
Add: OCI Recognised for Preference Shares	-	-
Add: Total Comprehensive Income for the period	(9,792,460)	(8,983,908)
Closing	80,302,429	90,094,889

12. Financial Liabilities - Non Current

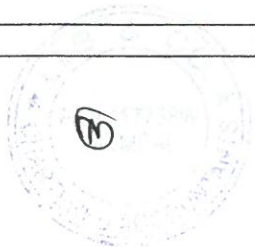
	March 31, 2020	March 31, 2019
1989000, 9% Non-Cummulative Redeemable Preference Shares	118,597,571	108,805,111
	118,597,571	108,805,111

13. Lease Liabilities

	March 31, 2020	March 31, 2019
Carrying Value at the beginning	-	-
Add: Additions	2,477,321	-
Less: Deduction	300,000	-
Carrying value at the end	2,177,321	-

14. Borrowings - Current

	March 31, 2020	March 31, 2019
Secured - from Banks		
Cash Credit Facilities	127,686,454	171,138,807
Term loan and others	1,108,629,252	1,050,149,982
Unsecured		



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Directors-Related parties	38,043,018	32,173,018
Ex-Directors	170,000,000	170,000,000
Inter Corporate Deposits - Related Parties	673,980,323	663,550,023
Intercorporate Deposits - Others	475,628,062	475,628,062
	<u>2,593,967,109</u>	<u>2,562,639,892</u>

Notes: Applicable to Note 14

a) The Term Loans and Other credit facilities granted by the Banks were secured by way of equitable mortgage by deposit of title deeds in respect of the Company's Land and other movable/immovable assets situated at Chinnasekkadu, Manali, Chennai, Tamil Nadu. These Immovable/movable Properties were sold to one M/s Golder Star promoters Pvt Ltd (GSPL) subject to various necessary approvals from statutory authorities vide MOU dated 19-12-2012. In view of non receipt of the consideration, the validity of the said MOU was extended from time to time and was valid till 31-12-2016.

b) Intercorporate deposits are crystalised and does not bear any interest and repayable on demand.

c) Certain Term Loans, Cash Credit and Other facilities which were Secured by way of Hypothecation of Companies Movable Fixed assets and Current Assets which have been sold in the previous period but modification of the charge in favour of the banks/lenders are yet to be made.

d) Public deposits includes Rs 1700 Lakhs due to Ex-Directors are interest free and repayable on demand.

e) Public Deposit of Rs. 6,94,000/- were due for 7 years from the date they became payable.

15. Trade Payables

	March 31, 2020	March 31, 2019
Due to Micro, Small and Medium Enterprises	685,206	685,206
Trade Payable	498,348,336	481,716,315
	<u>499,033,542</u>	<u>482,401,521</u>

Notes: Applicable to Note 15

a) Balances of trade payable are subject to confirmation, reconciliation and adjustment, if any.

16. Other Current Liabilities

	March 31, 2020	March 31, 2019
<u>Other Payables</u>		
Statutory Dues	19,615,566	19,287,026
Other Liabilities	1,332,405,354	1,200,732,558
Workers	276,531,470	276,531,470
Officers	129,760,005	129,760,005
Advance From Customer	45,815,720	45,815,720
Advance for Sale of Plots	47,079,524	50,617,956
Unpaid Matured Deposits and Interest Accrued thereon	1,901,282	1,901,282
	<u>1,853,108,921</u>	<u>1,724,646,017</u>

Notes: Applicable to Note 16

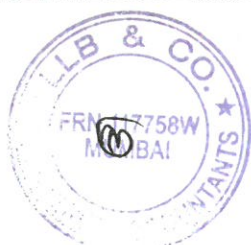
a) Workers' Dues reflects the amount of settlement dues in respect of wages, benefits, arrears, bonus, leave salaries gratuity etc.

b) Balances of all the creditors and advances received are subject to confirmation/reconciliation and adjustment, if any.

c) Unpaid Matured Deposits include payable to IEPF of Rs. 6,94,000/-

17. Provisions

	March 31, 2020	March 31, 2019
<u>Provision for Employee Benefits</u>		
Superannuation	4,179,567	4,179,567
Gratuity	2,395,438	2,395,438
Provision for Expected Credit Loss	382,798,950	382,760,882
	<u>389,373,955</u>	<u>389,335,887</u>



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FUTURA POLYESTERS LIMITED

NOTES FORMING PART OF THE ACCOUNTS AS ON MARCH 31, 2020

Note No. 18 Profit/ Loss from Discontinued Operations

	March 31, 2020	March 31, 2019
Revenue from Discontinued operations		
Dividend	3,045	3,045
Profit on Sale of Plots	13,849,666	147,368,013
Miscellaneous Receipts	12,695	-
Claims Received	-	1,089,015
Total (A)	13,865,406	148,460,073
Expenditure related to Discontinued operations		
Interest Expenses (Net)	179,059,180	321,982,160
Interest paid others	33,085	-
Bank Charges	11,947	-
Director's Fees	35,000	-
Electricity Charges	75,335	79,729
Rent	579,768	830,429
Interest on Lease Liabilities	68,257	-
Amortisation of Lease Assets	267,674	-
Staff welfare expenses	67,819	-
Insurance	25,545	-
Repairs and Maintainance	285,286	856,256
Travel	840,405	1,005,337
Printing And Stationary	1,561,710	62,788
Loss on sale of equity	17,155	-
Adverisement Expenses	40,270	87,631
Audit Fees - Statutory	719,800	600,000
Communication Expenses	780,307	210,211
P.F.inspection charges	1,017	2,149
Demate Charges	1,952	7,817
Management fees and lead bank charges	892,694	-
Provision for Diminution in value of Investment	-	10,000
Expected Credit Loss	38,068	382,760,882
Listing Fees	-	295,000
Custodian Fees	238,570	88,500
Exchange Rate Fluctuation	21,521,422	15,021,237
Legal & Professional Fees	6,195,818	8,670,123
General Expenses	1,015,139	1,509,393
Brokerage others	75,000	5,166,666
Total (B)	214,448,222	739,246,308
Profit / (Loss) from Discontinuing Operations (A-B)	(200,582,816)	(590,786,235)



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19 (a) During the FY 2018-2019 the company has received winding up order u/s 433 and 434 of the Companies Act 1956, dated 22nd June 2018 pursuant to a petition for winding up filed by an unsecured creditor in 2013. However the company has filed an appeal against the said order at High Court of Bombay, which has been set aside on 2nd April 2019 subject to the consent terms between the parties, by a two bench judge of High Court.

Further, the various banks had accepted the offer of One time Settlement (OTS) made by the company to accept Rs 161.01 Crores as against book dues of Rs. 161.45 Crores to be paid along with interest @ 13% till 31-12-2016. In view of the expiry of deadline to comply the OTS, the Bank/Lenders had decided to recall the advance and initiate legal proceedings. The company has been served notice u/s 13(2) of the SRFAESI Act, 2002 by the following banks to recall its dues along with interest.

Sr. No.	Bank	Date of Notice	Amount Recalled
1.	Bank of India	15/06/2017	Rs. 55.00 Crores
2.	Union Bank of India	08/08/2017	Rs. 9.10 Crores
3.	Canara Bank	09/08/2017	Rs. 36.74 Crores
4.	IDBI Bank	11/06/2018	Rs. 7.55 Crores
5.	State Bank of India	20/12/2018	Rs. 77.69 Crores

Pending outcome of the legal proceedings being initiated by the lender banks and the cancellation of the MOU with GSPL, the accounts have been prepared under going concern basis.

b) Company petition was filed by Bank of India against the company in NCLT Under Section 7 of the Insolvency and Bankruptcy Code, 2016. This petition was filed sometime in June/ July 2018. The company was ordered to wound up by the honorable Bombay High court on 22nd June 2018. The company appealed to the bench of the Honorable Bombay High court against the Winding up Order (WO) and it was submitted to the NCLT that since WO order has been passed against the company and a liquidator being appointed, the matter should not be continued.

The hearing came up several times in NCLT till December 2018 and up to March 2019.

On 3rd April 2019 the winding order was set aside by the appeal court. Thereafter hearings in NCLT began and sometime in January 2020 the tribunal asked the respondent to file an affidavit in reply which has been filed.

One of the main reasons that we put forth before NCLT was that the company is about to be sanctioned with OTS. Reasons were made out that delay was happening due to banks nature of work and not being able to get the sanction for OTS on time.

The company has however obtained all OTS sanctions from the banks as of now, with some conditions though.

The last date listed for hearing during the covid-19 was 6 March 2020 and was accordingly given the next date as 23rd April 2020 where the matter was listed but not taken up by the honorable tribunal.

Next date for hearing has not been indicated on the board of NCLT.



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20. On the basis of agreement the company did not charge any interest on the amounts receivable from GSPL towards sale of assets, which were not recovered fully in view of non performance of MOU following to non availability of statutory guideline value for the sale of land. However, on prudent commercial practice the company should have charged interest from GSPL.
21. The company has provided for Interest on the amount due to the Bank/Lenders @ 14.25% which was the highest interest rate on loan sanctioned amount till 31-03-2019.
22. The Company is exposed to foreign exchange risk on account of payment of services. The company is mainly exposed to fluctuations in US Dollar. On quarterly basis the company provides necessary adjustments to mitigate foreign exchange risk. Further, the company follows netting principle for managing the foreign exchange exposure.
23. New expected credit loss model establishes 3 stage impairment models, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. During the FY 2018-2019 provision @ 100% is provided in case of trade receivables and other receivables for Rs.3,827.61 lakhs as per the requirements of Ind AS 109 to be termed as "Provision for expected credit loss" since the amount receivable is overdue by more than 90 days. For trade and other receivables the company has applied impairment requirements of Ind AS 109.
- 24. Contingent Liabilities and Commitments made by the company:**
- Estimated amount of contracts remaining to be executed on capital account paid and not provided as on 31st, March, 2020 Rs. Nil . (Previous year Rs.Nil).
 - Contingent Liabilities not provided for

(Rs. in Lakhs)

Sr. No.	Particulars	31-03-2020	31-03-2019
1.	Regarding Income tax on account of disputes raised by the Income tax department under the Income tax, Act 1961.		
	Madras High Court	303.73	303.73
	Income Tax Appellate Tribunal	580.64	580.64
	Commissioner of Income Tax (Appeals)	13552.21	13552.21
	Commissioner of Income Tax – TDS (Appeals) (Chennai)	170.23	170.23
	Others where no appeal is made (AY 16-17)	552.33	552.33
2.	Service Tax and Penalty demanded on technology transfer agreement.		
	CESTAT	485.00	485.00
	Service Tax demand on Goods Transport Agency	6.29	6.29
	Service Tax Credit denial on Outward Freight and Canteen Services		



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	Commissioner Appeals CESTAT	76.63 16.76	76.63 16.76
3.	Central Excise: Claims against the company on various issues pending before various forum	339.80	339.80
4.	Irrigation Department- Government of Maharashtra High Court	185.38	185.38
5.	Labour Matters	9.87	9.87
6.	Customs Commissioner Appeal: PBS wrong import of PVC Import of PBS without MOEF permission DRI	5.00 53.00	5.00 53.00
7.	Others	264.51	264.51

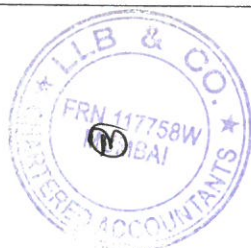
c. Claims against the Company not acknowledged as debts Rs. Nil (Previous Year Rs.Nil).

25. There are 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.

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.

(Rs. in Lakhs)			
Sr. No.	Particulars	31-03-2020	31-03-2019
1.	ArunaChaleshwar Industries	5.45	5.45
2.	Galada Agro Industries	1.40	1.40
	Total	6.85	6.85

Rs. in Lakhs)	
Particulars	Amount
Principal Amount due to any supplier as at the year end	6.85
Interest due on the principal amount unpaid at the year end to any supplier	12.28
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	NIL
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	12.28
The amount of interest accrued and remaining unpaid at the end of each accounting year	12.28



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26. A .Discontinuing Operations (for the period ended on December 31, 2012)

- The company has entered into Memorandum of Understanding (MOU) dated 19th December, 2012 for sale of its asset at Manali Chennai - Land, Factory, Building, Plant and Machinery, Office Equipment, Furniture and Fixture and Inventory on an "As is where is" basis for an aggregating consideration of Rs. 355 Crores. The MOU is subject to all the necessary and required approvals. Effect of the above MOU has been given in the Accounts of previous period.
- The Company was operating only in single Product – Polyester Products which has been discontinued from 19th December, 2012.
- Revenue of Rs.21473.67 Lakhs, expenses of Rs.43346.14 Lakhs, and pretax profit of Rs.- 21872.45 Lakhs in respect of the ordinary activities attributable to the discontinuing operation during the period ended 31/12/2012.
- Carrying amount of Rs.38285.17 Lakhs of assets and Rs 36608.57 Lakhs Liabilities to be settled as on 31.12.12.
- Allocation of Sale Proceeds to Land, Inventory and Other Fixed Assets is as per details given below. The same is subject to realization.
- The Company has Sold its inventory consisting of Raw Material, Semi Finished Goods, Finished Goods, Stores and Spares as per above MOU as per details given below.

Profit from Discontinued Operations - As on 19/12/2012

(Rs. in Lakhs)

Particulars	WDV as on 19.12.2012	Sale Proceeds (b)	Profit/ -loss(b-a)
Asset Sold			
Factory Buildings -	698.41	195.19	-503.22
Plant & Machinery -	8958.60	2503.74	-6454.86
Furnitures& fixtures	14.49	4.05	-10.44
Vehicles (Excluding cars)	1.48	0.41	-1.07
Office Equipments	53.76	15.02	-38.73
Weigh Bridge	5.17	1.44	-3.73
Total Assets (A)	9731.90	2719.86	-7012.04
Inventories Sold	Cost	Sale Proceeds	Profit/ -loss(b-a)
Raw materials	2088.88	583.80	-1505.08
Semi finished goods	1451.88	405.77	-1046.11
Finished goods	208.35	58.23	-150.12
Stores and spares	831.34	232.34	-599.00
Total Inventories (B)	4580.44	1280.14	-3300.31
Total (A+B)	14312.35	4000.00	-10312.35
Land	Cost	Sale Proceeds	Profit/ -loss(b-a)
Sale of Land -Profit C	17321.15	31500.00	14178.85



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Total (A+B+C)			3866.50
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B. Other Disclosures for the current period

- a. Various Banks had accepted the offer of One Time Settlement (OTS) made by the company to accept Rs. 161.01 Crores as against the book debts of Rs. 161.45 Crores to be paid along with interest @ 13% till 31-12-2016. Pending payments from GSPL, the company could not fulfill the OTS which led to expiry of the same. The Banks have resolved not to extend the validity of OTS and to recall the advance and initiate legal proceedings. The company has been served notice u/s 13(2) of the SRFAESI Act, 2002 by five banks namely Bank of India (Lead Bank), Union Bank of India, IDBI Bank, Canara Bank and State Bank of India the details of which are enumerated in Note 17.
- b. The Company has made a proposal for fresh OTS to Bank of India (the lead bank) along with other banks dated 22nd July, 2019 for Rs.165 crores. The period of OTS will be one year from the date of final approval of the lenders. The OTS was approved by the Bank of India (the lead bank) along with Phoenix ARC dated 19th August, 2019, also the company has received OTS approval from other banks by 18th February 2020. But on the same day OTS approval of Bank of India has been expired. The company has made the application for extension of OTS to Bank of India and the company got the extension OTS approval for the period of one year from 15.04.2020.
- c. In view of Non Performance of the MOU by GSPL and in order to sell the land in the distressed market, the company had got approved the layout plan of Futura Business Park from CMDA Chennai on 08/07/2015 and Corporation of Chennai on 25/08/2015 by dividing the Industrial Land into 149 saleable plots and plots reserved for common facilities. The company has executed a gift deed in favor of The Commissioner, Corporation of Chennai and Registrar, Thiruvottiyur, bequeathing Road and Park area of the approved Industrial Layout. Further, as per CMDA approval dated 16.10.2018 plots have been divided into 355 sub plots for sale purpose of Futura Business Park and plots reserved for common facilities. The company has up to 31-03-2020 sold 30 (out of 355 plots) and 2 plots (out of common facilities) for a value of Rs. 83.51 Crores and received Rs.69.16 Crores. The balance of Rs. 14.35 Crores was received by GSPL which is yet to be received by the company.
- d. In respect of guidelines value relating to sale of plot, the Tamilnadu Government has issued a notification to Futura Business Park for sales of plot at minimum guideline value of Rs.754/- per sq.ft. The condition of banks for approval of fresh OTS of Rs.165 crores also states that the guideline value for sale of plots shall not be less than Rs.754/- per sq.ft with exception in some cases where prior approval of banks are required.



Sd/-
W. Rao

- e. The company's Chemicals division, located in Khopoli, Maharashtra, was hived off into an independent company and the business of the said division was transferred to the new company, Innovassynth Technologies (India) Ltd. (ITIL), on January 1, 2004. The Irrigation Department of the State Government, from where the business sourced water for its operations, claimed additional charges from a retrospective date which was well prior to the takeover date by ITIL. However, the claim was made on Futura Polyesters Ltd., and not on ITIL, on the basis that the business belonged to FPL during the period of the claim in question. However, since the business now belonged to ITIL, the case was handled by ITIL representing FPL for legal purposes. As a part of the ongoing negotiations, when the case became sub-judice, the Bombay High Court order certain deposits to be placed with the High Court pending disposal of the case. Accordingly ITIL placed deposits with State Bank of Hyderabad and Syndicate Bank for an amount of Rs.2,56,29,392/- under the directions of the HC, however, in the name of FPL. The amount of the deposit was debited to FPL. Hence it appears in the books of FPL as deposit.
- f. The loans and advances of Rs.1,26,92,552.72, balance as on March 31, 2020 represents the various advances given by the company when it was operational. However, the management is of the view that many of the items comprised therein are recoverable and the company is now stepping up its efforts for recovery. Hence, the same is largely considered good and is shown under Current Assets in the Balance Sheet as on March 31, 2020.
- g. The company is in the process of selling its landed property at Chennai. After having paid off the secured lenders from the sale proceeds of the land, payments would be made towards workers dues, statutory dues and trade payable. Hence the trade payables of Rs.49,90,33,541.88 as on March 31, 2020 is being recognized under Current Liabilities.
- h. All matured fixed deposits, which have been claimed, has been paid off the the depositors in accordance with the laid down fixed deposit rules and provisions. The figure of Rs.13,24,000/-, in the Balance Sheet represents Unclaimed Deposits which will be paid on presentation of required documentation by the depositors, as per the fixed deposit rules. However, of the said amount of Rs.13,24,000/-, an amount of Rs.13,24,000/- are more than seven years old and need to be paid into the Investor Education and Protection Fund. The company was unable to pay due to non availability of required funds. The company will make efforts to pay off the required sum to the Investor Education Protection Fund under Section 125 of the Companies Act, 32013, at the earliest instance.

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27. Related Party Transactions:

a. Related Parties (As Certified by the Management):

Names	List of Related Parties	Nature of Relationship
Mr.S.B. Ghia - Chairman & Managing Director#	Bhupati Investments & Finance Private Limited Distributors(Bombay) Pvt. Ltd. Bristol Boats Private Limited Mahi Overseas Pvt. Ltd. Chika Overseas Pvt. Ltd. Bhupati Chemical Pvt. Ltd. Kika Dye Chem Export Pvt. Ltd.	Significant influence through, Spouse Mrs.R.S.Ghia as Chairperson and brother's Wife Mrs.V.D.Ghia as Director
	Chika Private Limited	Son Mr.N.S. Ghia as Chairman Spouse, brother's wife as Directors
	Innovassynth Investments Limited Sonata Software Limited	Common Key management personnel
Mr.M.D.Dalal - Jt. Managing Director#	Brightstar Learning India Private Limited	Common Key management personnel

Key Management Personnel

b. Related Party Transactions during the period 01.04.2019 TO 31.03.2020

(Rs. in Lakhs)

Sr No	Nature of Transaction	Key Management Personnel	Company in which Key Management Personnel have significant influence	Relatives of Key Management Personnel	Subsidiary	TOTAL
1.	Deposits received for the year 2019-20.	59.20	104.30	-	-	163.50

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	Deposits received for the year 2018-19.	20.75	-	-	-	20.75
2.	Deposits Repaid for the year 2019-20	.50	-	-	-	.50
3.	Deposits / Amount outstanding as on 31.03.20Payabl e	380.43	6739.80			7120.23
	Deposits / Amount outstanding as on 31.03.19 payable	321.73	6635.50			6957.23

28. Earnings per share

Particulars	(Rs. in Lakhs)	
	31-03-2020	31-03-2019
Profit / (Loss) after Tax	(2005.83)	(5907.86)
Weighted Average Number of Equity Shares		
- Basic	548,71,679	548,71,679
- Diluted	548,71,679	548,71,679
Earnings per Share (in Rs.)		
- Basic	(3.66)	(10.77)
- Diluted	(3.66)	(10.77)

29. Details of Payment to Auditor (Net of Indirect Taxes)

Particulars	31-03-2020	31-03-2019
Audit Fees	600,000	600,000
Other Services	-	-
Total	600,000	600,000

30. Lease Assets/(Liabilities)

As per Ind AS 116, Lease assets and lease liabilities consider as per contract with lessor for the Three years. Present Value is taken on the basis of PV Factor (i.e. 8.5%).

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12/20

31. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our Report Attached
For, LLB & Co.
Chartered Accountants
FRN: 117758W

Manju Choudhary



Manju Choudhary
Partner
M. No. 195166
UDIN: 20195166AAAA BF3654
Place: Mumbai
Date: 28th¹ September, 2020

For and on Behalf of the Board

S. B. Ghia

S. B. Ghia
(Chairman and Managing Director)
DIN: 00005264



M.D. Dalal

M.D. Dalal
(Joint Managing Director)
DIN: 00005275
Place: Mumbai
Date: 28th September, 2020