



**PRAG BOSIMI SYNTHETICS LIMITED**

**22nd Annual Report**

**2012 - 2013**

## **Prag Bosimi Synthetics Limited**

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### **BOARD OF DIRECTORS**

**Shri. H. K. Sharma, IAS**  
Chairman

**Shri. Hemant B. Vyas**  
Managing Director

**Shri. Devang H. Vyas**  
Director

**Shri. Samir Kumar Saha**  
Whole Time cum Finance Director

**Shri. M. K. Das**

**Shri. Girindra Mohan Das**

**Shri. N. G. Vedak**

**Shri. Rohit P. Doshi**

### **COMPANY SECRETARY**

Mrs Melvita Almeida

### **AUDITORS**

M/s Bharat Shroff & Co.  
Chartered Accountants  
Mumbai

M/s AMD & Associates  
Chartered Accountants  
Guwahati

### **BANKERS**

Dena Bank  
IndusInd Bank  
IDBI Bank

### **REGISTERED OFFICE**

House No.4, Nilgiri Path,  
R.G.Barua Road,  
Near Doordarshan,  
Guwahati- 781 024 Assam.

### **PLANT**

Bijulibari Village,  
P.O. Khandajan, Via Sipajhar,  
Dist. Darrang 784 145  
Assam

### **CORPORATE OFFICE**

R-79/83, Laxmi Insurance Building,  
5th Floor, Sir P.M. Road,  
Mumbai- 400001

### **REGISTRAR & SHARE TRANSFER AGENT**

Sharex Dynamic (India) Private Limited  
Unit- 1, Luthra Ind Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (East), Mumbai 400072.

### **SUBSIDIARIES**

**Prag Bosimi Texurising Private Limited**  
R.G.Barua Road,  
House No.4, Nilgiri Path, Near Doordarshan,  
Guwahati- 781 024 Assam.

**Prag Bosimi Packaging Private Limited**  
R.G.Barua Road,  
House No.4, Nilgiri Path, Near Doordarshan,  
Guwahati- 781 024 Assam.

**Prag Jyoti Textile Park Private Limited**  
R.G.Barua Road,  
House No.4, Nilgiri Path, Near Doordarshan,  
Guwahati- 781 024 Assam.

## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of Prag Bosimi Synthetics Limited will be held at 04:30 p.m. on Thursday, 09<sup>th</sup> January, 2014 at House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati- 781024 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the period ended 30<sup>th</sup> September, 2013 and Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Girindra Mohan Das, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Devang H. Vyas, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and authorize the Board to fix their remuneration.

By order of the Board of Directors

Place: Guwahati  
Date: 09<sup>th</sup> December, 2013

**Hemant B. Vyas**  
Managing Director

**S.K.Saha**  
Whole Time Cum Finance Director

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING PROXY DULY COMPLETED AND STAMPED, MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will be closed from 2<sup>nd</sup> January, 2014 to 9<sup>th</sup> January, 2014 (both days inclusive).
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. In case. of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. In any correspondences with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialized form, they must quote their Client ID Number and their DP ID Number.

## Prag Bosimi Synthetics Limited

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7. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filing Form 2B. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
  8. Members/ Proxies attending the meeting are requested to bring their Attendance Slip, sent herewith, duly filled in.
  9. As we had informed to our shareholders in the 21<sup>st</sup> Annual report of our Company that the Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository Participants or alternatively they may register by sending an e-mail at [bosimigogreen@sharexindia.com](mailto:bosimigogreen@sharexindia.com). Members who hold shares in physical form are requested to register their e-mail addresses by sending an e-mail at [bosimigogreen@sharexindia.com](mailto:bosimigogreen@sharexindia.com).
- i. Details of Directors seeking appointment or reappointment in the Annual General Meeting fixed on Thursday, 9<sup>th</sup> January, 2014. **(In pursuance to Clause 49 to the Listing Agreement)**

<b>Name of the Director</b>	<b>Shri. Girindra Mohan Das</b>	<b>Shri. Devang H. Vyas</b>
<b>Date of Birth</b>	1st January, 1947	12th May, 1969
<b>Date of appointment</b>	20th November, 2004	3rd July, 2000
<b>Qualification</b>	B. E. Electrical	Chemical Engineer M. B. A. Finance
<b>Expertise in specific functional area</b>	Engineering	Management, Administration and Finance
<b>List of Outside Directorships held</b>	Nil	3
<b>Chairman or members of the Committee of the Board of Directors of other Companies*</b>	Nil	Nil

**\*Note:** Excludes Chairmanship/ Directorship in Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and excludes Committees formed by such companies.

**By order of the Board of Directors**

Place: Guwahati  
Date: 09<sup>th</sup> December, 2013

**Hemant B. Vyas**  
Managing Director

**S.K.Saha**  
Whole Time Cum Finance Director

## DIRECTORS' REPORT

To,  
The Members,

### Prag Bosimi Synthetics Limited (PBSL).

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report together with audited accounts of the Company for the 18 months period ended on 30<sup>th</sup> September, 2013.

#### FINANCIAL RESULTS:

The financial results of your Company for the period under review are summarized below:

Particulars	(Rupees in Crores)	
	18 months ended 30 <sup>th</sup> September, 2013	18 months ended 31 <sup>st</sup> March, 2012
Gross Turnover	99.75	0.09
Turnover net of Excise duty	99.75	0.09
Profit / (Loss) before Depreciation, Interest and Taxation	(0.02)	(6.48)
(Add)/Less: Interest	(18.76)	(13.73)
(Add)/Less: Depreciation	(7.94)	(3.53)
(Add)/Less: Write back Depreciation	Nil	11.65
Profit (Loss) for the period	(26.72)	(12.09)
Add/ (Less) Loss Brought forward from the Previous period/year	(109.57)	(97.48)
Total Loss carried forward to next period/year	(136.29)	(109.57)

#### COURSE OF BUSINESS AND OUTLOOK:

During the current period your company has installed one more texturising machine which will add value to the final product. Further, your company has also made capital commitments towards installation of new spinning line which will increase the capacity by approximately 6000 MT p.a. The installation work is in progress and it is expected that the installation will be completed this year.

Further, we would like to inform you that during the current period Assam State Electricity Board (ASEB) had raised some bills for the period when the company was not in operation. The Company has disputed this claim of ASEB and has represented to ASEB to waive such erroneous claim. However, ASEB has arbitrarily, without giving us an opportunity of being heard, disconnected the power supply. As such, the company has suspended its operations.

However, your company has taken up the issue with Assam Industrial Development Corporation (AIDC), our Joint Sector Partner & with Assam Government. We hope that the matter will be resolved shortly and plant will resume production.

#### DIVIDEND:

Due to inadequate profits your directors have not recommended any dividend for the said period.

#### DIRECTORS:

As per the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri. Girindra Mohan Das and Shri Devang H. Vyas, Directors of the Company would be retiring by rotation and being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting (AGM). Pursuant to Clause 49 of the Listing Agreement, the detailed profile of the Directors retiring by rotation is provided in the Notice convening the Annual General Meeting.

#### PUBLIC DEPOSITS:

The Company has not accepted any Public Deposits during the period under review.

#### DEPRECIATION ON PLANT & MACHINERY:

The Company has been advised that its decision not to provide any depreciation on that part of its Plant because of non user of the same is not violative of any provisions of the Companies Act, 1956. Accordingly, the Company has charged depreciation on that part which was put to use during the period.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- in the preparation of statement of accounts, the applicable accounting standards have been followed and that there are no material departures;
- the Directors have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period viz., 30<sup>th</sup> September, 2013 and of the loss of the Company for the period ended on that date;
- the Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in

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accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

- (d) the Directors have prepared the annual accounts on a going concern basis.

### **CORPORATE GOVERNANCE:**

Your Company affirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with Stock Exchanges. A separate section on compliance of Corporate Governance and a Certificate from the Auditor's firm dated 9th December, 2013 in this regard is annexed hereto and forms a part of the Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management's Discussion and Analysis Report, as required under Corporate Governance, is forming a part of this report and gives a reflection of the current state of business. It also deals with opportunities, challenges and the outlook of the Company.

### **PARTICULARS OF EMPLOYEES:**

None of the employees of the Company was in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

### **SUBSIDIARIES:**

The Company has 3 wholly owned subsidiary companies; the Consolidated accounts of these Subsidiary Companies are annexed to this report along with the statement pursuant to Section 212 of the Companies Act, 1956.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

The information required under section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology

absorption, and foreign exchange earnings and outgo is given in Annexure forming part of this report.

### **IMPLEMENTATION OF CIRCULAR ISSUED BY MINISTRY OF CORPORATE AFFAIRS ON "GREEN INITIATIVES IN CORPORATE GOVERNANCE":**

With effect from this period the Company has implemented the "Green Initiative" as per Circular No.17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs to enable electronic delivery of notices/documents and annual reports to the shareholders.

### **AUDITORS:**

M/s Bharat Shroff & Company, Chartered Accountants, Mumbai; and M/s. A M D & Associates, Chartered Accountants, Guwahati Auditors of the Company will retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment seek appointment as the Auditors of the Company.

### **INDUSTRIAL RELATIONS/ HUMAN RESOURCES:**

Your Company maintained healthy, cordial and harmonious industrial relations at all levels during the period under review. Your Company firmly believes that a dedicated workforce constitute the primary source of sustainable competitive advantage. Accordingly, human resource development continues to receive focused attention. Your Directors wish to place on record their appreciation for the dedicated and commendable services rendered by the staff and workforce of your Company.

### **APPRECIATION:**

Your Directors take this opportunity to offer their sincere thanks to the Government of India, State Government of Assam, AIDC, Dena Bank, IDBI, Standard Chartered Bank, IFCI Ltd, LIC, UTI, GIC & its subsidiaries, SBI, NEDFI, Allahabad Bank, Bank of Baroda, Central Bank of India, UCO Bank, Indusind Bank, North East Frontier Railways, Srei Infrastructure Finance Limited and our valued investors who through their continued support and co-operation, have helped in your Company's progress.

**By order of the Board of Directors**

Place: Guwahati  
Date: 09<sup>th</sup> December, 2013

**Hemant B. Vyas**  
Managing Director

**S.K.Saha**  
Whole Time Cum Finance Director

**ANNEXURE TO THE DIRECTORS' REPORT****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/ OUT GO:****FORM A****(A) POWER AND FUEL CONSUMPTION**

Particulars	Current Period	Previous Period
1. Electricity:		
Purchased:		
(a) No of Units	3334973	510817
(b) Total Amount (₹)	19342843	2400839
(c) Rate/Unit (₹)	5.8	4.70
Own Generation:		
Through Diesel generators		
(a) No. Of Units:	53928	5520
(b) Unit per litre of Diesel	2.52	2.52
(c) Cost/Unit (₹)	20.51	16.8
Through steam turbine generation		
No. of Units:	N.A	N.A
Unit per litre of Fuel oil/Gas	N.A	N.A
Cost/Unit	N.A	N.A
2. Coal (specify quality and where used)	N.A	N.A
Quantity:	N.A	N.A
Total cost	N.A	N.A
Average Rate	N.A	N.A
3. Furnace Oil:		
Quantity (KL)	N.A	N.A
Total Amount (₹)	N.A	N.A
Average Rate (₹)	N.A	N.A
4. Steam:		
Quantity in Tons:	N.A	N.A
Total Cost: (₹)	N.A	N.A
Rate per Ton (₹)	N.A	N.A
Consumption per unit of production		
Electricity per K.G. Yarn in No of Units	2.5	1.50
Furnace Oil (Litre)	N.A	N.A
Coal	N.A	N.A
Steam in K.G. per K.G of Yarn	N.A	N.A

**(B) FOREIGN EXCHANGE EARNINGS/OUTGO:**

Particulars	Current Period	Previous Period
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil
Capital Goods	Nil	Nil
Stores, spares and consumable	Nil	Nil
Others	Nil	Nil

By order of the Board of Directors

<b>Hemant B. Vyas</b> Managing Director	<b>S.K. Saha</b> Whole Time cum Finance Director
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Place : Guwahati  
Date : 9th December, 2013

# Prag Bosimi Synthetics Limited

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## Management Discussion and Analysis

### DISCLAIMER STATEMENT

Certain statements in this report on Management Discussion and Analysis may be forward looking statements and have been issued in terms of the applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed in the statements or implied due to the influence of external and internal factors, which are beyond the control of the Company. The Company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

### INDUSTRY OUTLOOK

The Company produces Polyester POY which comes under the category of Man-made Fibre. Globally, Man Made Fibre (MMF) is the most dominantly consumed textile fibre with a share of about 65 per cent. The per capita MMF consumption in India is estimated at 1.7 kg per annum in FY13 against the global average of 10 kg per annum. Weavers and textile processors are looking forward to an increase in consumption of MMF in the domestic market at a compounded annual growth rate of 5.2 per cent till 2015-16.

A recent industry research report says that factors like rise in disposable income, growing consumer class, rising urbanization, increasing retail penetration and limited supply of cotton is set to increase the share of MMFs like polyester and viscose in the market in the next four years.

The long term growth and development of this industry is fairly secured because of low base per capita consumption of textile fabric in India as compared to developed countries. In a growing economy with high population, it gets additional support.

### THREATS

Raw material prices and availability play a crucial role in the MMF industry. However, the cost of raw material in the overall cost structure varies across fibres. The key raw

materials used are Purified Terephthalic Acid (PTA), Mono - Ethylene Glycol (MEG). It accounts for about 80% to 85% of the total manufacturing cost. The prices of these products are affected by the crude oil prices and move in tandem with the global prices.

In the short term, volatility in crude oil prices may impact the growth of the industry.

Substantial import duty concessions, under FTAs signed by the Government of India with ASEAN member countries has become the bane of the industry and emerged as a major threat for the Synthetic Fibre Industry.

### OPPORTUNITIES

- i. Rapid urbanization, rising working population, an increase in disposable incomes and increasing affordability vehicles are driving demand in downstream industry
- ii. Emerging non-apparel application of fibre
- iii. Price competitiveness of PFY vis-à-vis cotton yarns
- iv. Per capita consumption of Polyester in India is exceedingly low by world standards so there is a great scope for local demand.
- v. Rural market will play important role in the economy which offers a major opportunity growth in the Polyester industry.
- vi. Substantial gap in Demand & Supply
- vii. Fast changes in fashion design, growing exports of textiles

### Internal Control Systems and Their Adequacy

Internal Control Systems and Procedures in the Company are commensurate with nature and size of its business and are regularly reviewed and updated by incorporating changes in regulatory provisions to ensure that not only the assets of the Company are safeguarded and protected against any loss, but all the transactions are properly accounted and that they meet the test of legal compliance.



**REPORT ON CORPORATE GOVERNANCE:**

The detailed report on Corporate Governance as per Clause 49 of the Listing Agreement is set out as below:

**Company's Philosophy on Corporate Governance:**

Corporate Governance is an integral part of PBSL's value system, management ethics and business practices. PBSL is committed to creating long term value for all its shareholders, employees, customers, associates and the wider community. The Company is committed to and continues to practice good Corporate Governance. The Corporate Governance Code incorporates several practices aimed at a level of business ethics, effective supervision and enhancement of value for all stakeholders. PBSL conforms to all regulatory and legal requirements. The basic philosophy behind and endeavor towards better corporate governance is to enrich the value of stake holders by achieving business excellence.

The company has complied with all the requirements of Corporate Governance as prescribed in clause 49 of the Listing agreement.

**Board of Directors:****(a) Composition of the Board**

As on September 30, 2013 the Company's Board comprises of 8 directors. The Board has two Executive Directors, of which the Managing Director is the Promoter Director. In addition, the Board has six Non-Executive Directors, consisting of five Independent Directors out of which three are Nominees of various financial institutions. The details of the Directors during the period ended September 30, 2013 are given below:

Sr. No.	Name of Director	Category	Board meetings attended during the period	Whether attended last AGM	Directorships field in other Public companies incorporated in India.*
1	Shri. H.K. Sharma	Chairman, Nominee of AIDC, Non Executive, Independent Director	1	No	3
2	Shri. Hemant B. Vyas	Managing Director, Promoter Director	10	No	3
3	Shri. Devang H. Vyas**	Non Executive Director	9	No	3
4	Shri. Samir Kumar Saha	Whole time cum Finance Director	10	Yes	1
5	Shri. M. K. Das	Nominee of AIDC, Non Executive, Independent Director	1	Yes	0
6	Shri. G.M. Das	Nominee of Assam State Electricity Board, Non Executive, Independent Director	1	Yes	0
7	Shri. N. G. Vedak	Non- Executive and Independent Director	9	No	0
8	Shri. Rohit P. Doshi	Non- Executive and Independent Director	9	No	1

\* The number of directorship excluded directorship of private companies, foreign companies, Companies incorporated under Section 25 of the Companies Act, 1956 and alternate directorship.

**Note:**

\*\*Shri. Hemant B. Vyas and Shri. Devang H. Vyas are related to each other, no other Director is related to each other.

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### (b) Number of Board Meetings

The Corporate Governance policy requires the Board to meet at least 4 times in a year with a maximum gap of 120 days between any two meetings. The Board of Directors met 10 times during the period under review. The details of Board Meetings held during the period are as under:

Sr No.	Date of Board Meeting	Board Strength	No. of Directors present
1	15th May, 2012	8	5
2	30th May, 2012	8	5
3	28th June, 2012	8	5
4	14th August, 2012	8	5
5	1st September, 2012	8	5
6	12th November, 2012	8	5
7	14th February, 2013	8	5
8	15th April, 2013	8	5
9	15th May, 2013	8	5
10	14th August, 2013	8	5

### Board's Process

It has always been the Company's policy and practice that apart from matters requiring the Board's approval by statute, all major decisions including quarterly results of the Company as a whole and debt restructuring, capital expenditure, collaborations, material investment proposals, sale and acquisition of assets of material nature, mortgages, guarantees and donations are placed before the Board. This is in addition to information with regard to actual operations, major litigation feedback reports and minutes of Committee Meetings.

The Board of PBSL is regularly presented with all information under the above heads, whenever/ wherever applicable. These are submitted either as part of the agenda papers in advance of the Board meetings or are tabled in the course of the Board meetings.

### (c) Code of conduct

The Company has adopted Code of Conduct for all the Directors and Senior Management of the Company. All the Directors and the Senior Management have

affirmed compliance with respective code of conduct. The Code of conduct for Directors and Senior management personnel are posted on the Company's website.

### Committees of the Board:

The Board of Directors has constituted three permanent committees of the Board - the Audit Committee, the Share Transfer Committee and the Shareholders/Investors Grievance Committee. The Board also constituted Remuneration Committee as and when required when any matter relating to the remuneration of any Personnel has arisen. The functions of various committees their mode of operation and membership details is given below.

#### (a) Audit Committee

The Board of Directors has constituted an Audit Committee of Directors to exercise powers and discharge functions as stipulated in section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreements with Stock Exchanges and other relevant statutory / regulatory provisions. The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts and cost audit reports before submitting to the Board of Directors. The existing Audit Committee consists of the following Directors:

1. Shri. M. K. Das
2. Shri. Girindra. M. Das
3. Shri. N. G. Vedak
4. Shri. Rohit P. Doshi

Shri S.K. Saha, Whole time cum Finance Director is a permanent invitee to Audit Committee meetings.

The Audit Committee of the Company, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures: -

- a) Efficiency and effectiveness of operations.
- b) Safeguarding of assets and adequacy of provisions for all liabilities,
- c) Reliability of all financial and other management information and adequacy of disclosures
- d) Compliance with all relevant statutes.

The Committee has powers similar to those stated in the listing agreements and exercises most of the functions in line with the requirements of the code of

Corporate Governance. The details of the Audit Committee meeting held during the period ended on 30<sup>th</sup> September, 2013 are as under:

**Audit Committee Meetings**

Sr. No	Date of Audit Committee Meeting	Committee Strength	No. of Members Present
1	15 <sup>th</sup> May, 2012	4	2
2	14 <sup>th</sup> August, 2012	4	2
3	1 <sup>st</sup> September, 2012	4	2
4	12 <sup>th</sup> November, 2012	4	2
5	14 <sup>th</sup> February, 2013	4	2
6	15 <sup>th</sup> May, 2013	4	2
7	14 <sup>th</sup> August, 2013	4	2

**Audit Committee Attendance.**

Sr. No	Directors	No. of Meetings attended
1	Shri. M. K. Das	1
2	Shri. Girindra. M. Das	1
3	Shri. N. G. Vedak	6
4	Shri. Rohit P. Doshi	6

**B. Share Transfer Committee**

The Company has a Committee of Directors designated as "Share Transfer Committee" to look into various matters pertaining to share transfer, issue of

duplicate share certificates. The members of this committee are: Shri. Hemant B, Vyas, Managing Director, Shri. Devang H. Vyas, Non Executive Director and Shri. S. K. Saha, Whole time cum Finance Director.

**C. Shareholders/ Investors Grievance Committee:**

A Shareholders / Investors Grievance Committee has been constituted by the Board of Directors to monitor the redressal of the shareholders / investors grievances. The Board of Directors of the Company has constituted a Shareholder/ Investors Grievance Committee, comprising of the following Directors/ Secretary:-

- 1) Shri. Hemant. B.Vyas
- 2) Shri. Devang H.Vyas
- 3) Shri. Rohit P. Doshi
- 4) Mrs Melvita Almeida (Company Secretary)

Company Secretary also acts as a Secretary to the Committee.

**D. Remuneration Committee**

The Company has a Remuneration Committee to review and recommend payment of annual salaries, commission, service agreements and other employment conditions of the Executive

Directors comprising Managing Director and Whole-time Directors. The Committee periodically reviews and recommends suitable revision in the remuneration package of Executive Directors to the Board.

**Details of Remuneration paid/ accrued/credited to the Directors during the period ended September 30, 2013**

Sr. No.	Name of the Director	Salary ₹	Perquisites & other benefits* ₹	Performance Bonus/Commission ₹	Sitting Fee ₹	Total ₹
1.	Shri. H.K. Sharma, IAS	-	-	-	-	-
2.	Shri. Hemant B. Vyas	5,62,500	6,09,345	-	-	11,71,845
3.	Shri. Devang H. Vyas	-	-	-	-	-
4.	Shri. Samir Kumar Saha	24,07,500	2,93,500	-	-	27,01,000
5.	Shri. M. K. Das	-	-	-	-	-
6.	Shri. Girindra Mohan Das	-	-	-	-	-
7.	Shri. N. G. Vedak	-	-	-	-	-
8.	Shri. Rohit P. Doshi	-	-	-	-	-

## Prag Bosimi Synthetics Limited

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### General Body Meetings

The last three General body meetings of the Members of the Company were held as per the following details: -

Year	Location	Date	Time
2010-2012	House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati- 781 024	26 <sup>th</sup> September, 2012	4.30 p.m.
2009-2010	Hotel Landmark, Dr. R. B. Barooah Road, Ulubari, Guwahati 781 007	28 <sup>th</sup> June, 2011	4:30 p.m
2008-2009	Hotel Landmark, Dr. R. B. Barooah Road, Ulubari, Guwahati 781 007	16 <sup>th</sup> December, 2010	4:00 p.m

### Disclosures

- There has been no non-compliance penalties/strictures imposed on the Company by stock exchange (s) or SEBI, on any matter related to capital markets, during the last three years,
- There are no materially significant related party transactions, which may have potential conflict with interests of the Company at large.
- There are no pecuniary relationships or transactions with the non - executive independent directors.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the Company has not adopted any non- mandatory requirements of Clause 49 of the Listing Agreement.

### Means of communication

The financial results and the Annual Reports are displayed on the Company's website (i.e [www.pragbosimi.in](http://www.pragbosimi.in))

## Shareholders Information

### 1. Annual General Meeting:-

Date : 9<sup>th</sup> January, 2014  
 Time : 04:30 p.m.  
 Venue : House No.4, Nilgiri Path, R.G.Barua Road,  
 Near Doordarshan,Guwahati- 781 024

### 2. Book Closure Date:

From 2<sup>nd</sup> January, 2014 to 9<sup>th</sup> January, 2014(both days inclusive)

### 3. Share Transfer Agent:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED  
 UNIT- 1, LUTHRA IND PREMISES,  
 ANDHERI KURLA ROAD, SAFED POOL,  
 ANDHERI (EAST), MUMBAI 400072.

### 4. Investors Correspondence

All queries of investors regarding the Company's shares in Physical/ Demat form may be sent to Registrar and Share Transfer Agent of the Company or at Company's corporate office at the following address or at the Registered Office of the Company.

#### Registrar and Share Transfer Agents:

#### Sharex Dynamic (India) Private Limited

Unit- 1, Luthra Ind Premises,  
 Andheri Kurla Road, Safed Pool,  
 Andheri (East), Mumbai 400072.

#### Corporate Office:

The Company Secretary  
 Prag Bosimi Synthetics Ltd,  
 R-79/83, Lakshmi Insurance Bldg,  
 Fifth Floor, Sir P.M. Road, Mumbai 400001.

#### Registered Office:

Prag Bosimi Synthetics Ltd.  
 House No.4, Niligiri Path,  
 R. G. Barua Road, Near Doordarshan,  
 Guwahati 781024, Assam.

### 5. Listing on Stock Exchanges: -

The Company's Equity shares are listed at the following Stock Exchanges:

Stock Exchange	Code
The Bombay Stock Exchange	500192
The Guwahati Stock Exchange	L/725
The Calcutta Stock Exchange Association Limited	10026150
The Delhi Stock Exchange Association Limited	16025
The Stock Exchange Ahmedabad	PRAG BOSM
ISIN No.	INE962801Q11

### 6. Shareholding pattern of the Company

Category	No. of Shares held	% of Share
<b>A PROMOTER'S HOLDING:</b>		
Indian promoters, relatives and associates	34894463	46.91
<b>B NON- PROMOTERS HOLDING</b>		
a) Mutual Funds	98900	0.13
b) Banks, Financial Institutions, insurance Companies, Central/ State Govt. Institutions/ Non - government Institutions (including Foreign Financial Institutions]	1000	0.00
C FIIS	Nil	Nil
<b>D Others:-</b>		
Corporates bodies	9673715	13.01
Indian Public	27484402	36.95
NRI	2227524	2.99
Clearing Members	2956	0.00
<b>TOTAL</b>	<b>74382960</b>	<b>100</b>

### 7. Distribution of Shareholding as on 30<sup>th</sup> September, 2013

Range No. of Shares	Shareholders		Shares	
	Number	% to total holders	Number	% to total Capital
UPTO TO 100	74737	80.69	7451654	10.02
101 TO 200	6653	7.18	1326801	1.78
201 TO 500	6896	7.45	2859802	3.84
501 TO 1000	2346	2.53	2004519	2.69
1001 TO 5000	1518	1.64	3469229	4.66
5001 TO 10000	179	0.19	1358489	1.83
10001 TO 100000	232	0.25	7340009	9.87
100001 TO ABOVE	60	0.06	48572457	65.30
<b>TOTAL</b>	<b>92621</b>	<b>100.00</b>	<b>74382960</b>	<b>100.00</b>

### 8. Share Transfer System

Share transfer in physical form are registered by the Share Transfer Agent and returned to the respective transferee within a period ranging from fifteen days provided the documents lodged with the Share Transfer Agent/ Company are clear in all respects.

### 9. Dematerialisation of shares

As per notification issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized

## Prag Bosimi Synthetics Limited

form w.e.f September, 2000. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

No. of shares Dematerialised	47834629	64.31%
No. of shares in Physical form	26548331	35.69%

### 10. Market Price Data

Month	Bombay Stock Exchange		Volume on BSE
	High	Low	
Apr-12	8.25	6.71	1,40,344
May-12	7.44	5.56	1,20,386
Jun-12	7.62	6.2	1,03,582
Jul-12	7.36	5.91	5,06,589
Aug-12	9.6	5.78	4,32,131
Sep-12	7.52	6.75	1,30,282
Oct-12	7.09	6.4	1,26,062
Nov-12	7.4	6.03	1,85,903
Dec-12	7.35	5.56	2,44,546
Jan-13	8.87	6.55	3,64,785
Feb-13	8.27	5.83	2,04,632
Mar-13	6.2	4.82	4,94,837
Apr-13	5.89	3.92	1,04,555
May-13	5.47	3.5	1,84,485
Jun-13	5	4.01	60,219
Jul-13	5.4	2.83	65,235
Aug-13	2.86	2.27	8,795
Sep-13	3.09	2.27	37,905

### 11. Plant Location of the Company:

Bijulibari Village,  
P.O.Khandajan, Via Sipajhar,  
Dist. Darrang 784 145

### 12. Bank Details of the Shareholders:

Shareholders holding shares in physical form are requested to notify/send the following to the Company to facilitate better service:-

- any change in their address/bank details, and
- particulars of their bank account, in case the same have not been sent earlier.

### 13. Depository Services

For guidance on depository services, Shareholders may write to the Company or to the respective Depositories: -

#### a) National Securities Depository Ltd.

Trade World, A Wing, 4<sup>th</sup> & 5<sup>th</sup> Floor,  
Kamla Mills Compound,  
Lower Parel, Mumbai 400013  
Telephone: (022) 24994200  
Fax: (022) 24976351  
E-mail: [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website: [www.nsdl.co.in](http://www.nsdl.co.in)

#### b) Central Depository Services (India) Ltd.

17<sup>th</sup> floor, P J Towers,  
Dalal Street, Fort, Mumbai 400001  
Telephone: (022) 2723333  
Fax: (022) 22723199  
E-mail : [investors@cdslindia.com](mailto:investors@cdslindia.com)  
Website: [www.cdslindia.com](http://www.cdslindia.com)

### 14. Nomination Facility

Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filing Form 2B. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.

By order of the Board of Directors

Place: Guwahati  
Date: 09<sup>th</sup> December, 2013

**Hemant B. Vyas**  
Managing Director

**S.K.Saha**  
Whole Time Cum Finance Director

### **Declaration on Compliance of the Company's Code of Conduct**

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, in so far as it is applicable to them and there is no non-compliance thereof during the period ended 30<sup>th</sup> September, 2013.

**For, Prag Bosimi Synthetics Limited**

**S.K.Saha**

Whole Time cum Finance Director

Place: Guwahati  
Date: 9<sup>th</sup> December, 2013

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### **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of Prag Bosimi Synthetics Limited.

We have examined the compliance of conditions of corporate governance by Prag Bosimi Synthetics Ltd. for the period from 01<sup>st</sup> April 2012 to 30<sup>th</sup> September, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and accordingly the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the R & T Agents/ Company.

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

**For Bharat Shroff & Co.**  
Chartered Accountants  
(Firm Reg. No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**Bharat B. Shroff**  
Proprietor  
(Membership No. 014822)

**Debashish Bordoloi**  
Partner  
(Membership No. 068018)

Place : Guwahati  
Date : 9th December, 2013

## **Prag Bosimi Synthetics Limited**

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### **INDEPENDENT AUDITORS' REPORT**

To,

**THE MEMBERS OF PRAG BOSIMI SYNTHETICS LIMITED**

#### **Report on the Financial Statement**

We have audited the accompanying financial statements of **PRAG BOSIMI SYNTHETICS LIMITED**, which comprise the Balance Sheet as at 30<sup>th</sup> September, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 30<sup>th</sup> September, 2013.
- (b) In the case of the Statement of Profit and Loss, of the loss of the Company for the period ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.
- (d) The company has not provided any depreciation on a major part of its Plant & Machinery which is not put to use during the accounting period under review as per the accounting policy followed by the company.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
  - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss, comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on 30<sup>th</sup> September, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30<sup>th</sup> September, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For Bharat Shroff & Co.**  
Chartered Accountants  
(Firm Reg. No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**Bharat B. Shroff**  
Proprietor  
(Membership No. 014822)

**Debashish Bordoloi**  
Partner  
(Membership No. 068018)

Place : Guwahati  
Date : 9th December, 2013

## **Prag Bosimi Synthetics Limited**

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### **Annexure referred to in paragraph 5 (1) of Independent Auditors' Report of even date on the financial statements for the period ended 30th September, 2013 of Prag Bosimi Synthetics Limited.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

- (i) In respect of its Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The assets have been physically verified by the management in accordance with the phased programmed of verification adopted by the Company. In our opinion, the frequency of the verification is reasonable having regard to the size of the Company and nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the period.
  - (c) No substantial part of the fixed assets has been disposed off during the period.
- (ii) In respect of its Inventories:
  - (a) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals. Inventory lying with the third parties and in transit have been verified by the management with reference to the confirmation received from them and/or subsequent receipt of goods.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of its inventories. The discrepancies noticed on verification between physical stocks and book records were not material.
- (iii)
  - (a) The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the Register maintained under section 301 of the Act.
  - (b) The company has taken interest free unsecured loans of ₹ 40,72,70,350/- from Managing Director and other related parties during the period. The terms of the loan repayment are not prima facie prejudicial to the interest of the Company.
  - (c) The Company has not taken any loans, secured or unsecured, except as stated in iii (b) above from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotation, 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. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v)
  - (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) According to the information and explanation given to us, no transactions were made with parties whose names are entered in the register maintained under section 301 of the Act.
- (vi) No deposits within the meaning of Section 58A or any other relevant provision of the Act and Rules framed there under have been accepted by the Company.

## Annual Report 2012 - 2013

- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We are informed that the cost records maintained by the Company pursuant to the Order of the Central Government under section 209(1)(d) of the Act have been checked and verified by the cost auditor and hence we are not required to comment on it.
- (ix) The Company has following undisputed amounts outstanding towards statutory dues for more than 6 months as on 30<sup>th</sup> September, 2013:

The Act applicable	Details of outstanding Amount	Amount (₹ in Lacs)
The Assam Professions, Trades, Callings and Employments Taxation Act, 1947	Professional Tax	11.30

- (x) The accumulated losses of the Company at the end of the financial period are not more than fifty per cent of its net worth. The Company has incurred cash losses during the financial period covered by our audit and in the immediately preceding financial period.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not made regular payments towards dues to financial institutions, banks and debenture holders.
- (xii) During the period, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xiv) In our opinion and according to information and explanations given to us, the Company has not given guarantee for loans taken by others from Banks or financial institutions.
- (xv) According to the information and explanations given to us, in our opinion, funds raised on short term basis have not been used for long term basis or vice versa.
- (xvi) During the period, the Company has not made any preferential allotment of shares to the parties and companies covered and recorded in the Register maintained under section 301 of the Act.
- (xvii) As per the High Court order dated 21<sup>st</sup> December, 2012 the company has cancelled the Cumulative Convertible Preference Shares (CCPS) of ₹ 10,00,00,000/- (1,00,000 shares of ₹ 100/- each) and Redeemable Convertible Cumulative Preference Shares (RCCPS) of ₹ 71,46,25,000/- (71,46,250 shares of ₹ 100/- each) both totaling to ₹ 81,46,25,000/- on 16<sup>th</sup> February, 2013 from accounts.
- (xviii) The Company has not raised any money by way of public issue during the period.
- (xix) During the period, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Bharat Shroff & Co.**  
Chartered Accountants  
(Firm Reg. No:-131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**Bharat B. Shroff**  
Proprietor  
(Membership No. 014822)

**Debashish Bordoloi**  
Partner  
(Membership No. 068018)

Place : Guwahati  
Date : 9th December, 2013

# Prag Bosimi Synthetics Limited

## Balance Sheet as at 30th September, 2013

Particulars	Note No.	As at 30th September 2013 ₹	As at 31st March, 2012 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	743,829,600	1,558,454,600
(b) Reserves and surplus	4	215,752,278	(331,672,745)
		<u>959,581,878</u>	<u>1,226,781,855</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	1,072,343,343	831,082,455
(b) Other long-term liabilities	6	98,772,678	27,196,931
(c) Long-term provisions	7	14,794,975	11,978,633
		<u>1,185,910,996</u>	<u>870,258,019</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	345,676,857	430,111,700
(b) Trade payables	9	364,748,230	30,157,823
(c) Other current liabilities	10	80,139,741	52,961,570
(d) Short-term provisions	11	13,253,006	9,966,321
		<u>803,817,834</u>	<u>523,197,413</u>
<b>TOTAL</b>		<u><u>2,949,310,708</u></u>	<u><u>2,620,237,287</u></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12.A	2,186,285,634	2,247,057,527
(ii) Capital work-in-progress	12.C	10,927,690	3,659,087
		<u>2,197,213,324</u>	<u>2,250,716,614</u>
(b) Non-current investments	13	1,200,000	1,200,000
(c) Long-term loans and advances	14	187,355,607	185,832,293
(d) Other non-current assets	15	21,528,986	48,045,113
		<u>210,084,593</u>	<u>235,077,405</u>
<b>2 Current assets</b>			
(a) Inventories	16	110,912,033	112,591,756
(b) Trade receivables	17	420,369,608	3,805,409
(c) Cash and cash equivalents	18	3,004,600	4,351,680
(d) Short-term loans and advances	19	7,726,551	13,694,423
		<u>542,012,792</u>	<u>134,443,268</u>
<b>TOTAL</b>		<u><u>2,949,310,708</u></u>	<u><u>2,620,237,287</u></u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Bharat Shroff & Co**  
Chartered Accountants  
(Firm Regn.No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**For and on behalf of the Board of Directors**

**H.K.Sharma** Chairman  
**Hemant B. Vyas** Managing Director  
**S.K.Saha** Finance Director  
**M.K.Das** Director  
**Girindra Mohan Das** Director

**Bharat B. Shroff**  
Proprietor (M.No. 014822)

**Debashish Bordoloi**  
Partner (M.No. 068018)

Place : Guwahati  
Date : 09.12.2013

**Statement of Profit and Loss for the period ended 30th September, 2013**

Particulars	Note No.	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (net)	20	1,001,015,935	5,578,963
2 Other income	21	4,326,187	7,412,457
<b>3 Total revenue (1+2)</b>		<u>1,005,342,122</u>	<u>12,991,420</u>
<b>4 Expenses</b>			
(a) Cost of materials consumed	22.a	867,255,614	30,316,356
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22.b	1,333,246	(44,591,017)
(c) Employee benefits expense	23	58,554,486	38,769,772
(d) Finance costs	24	187,574,130	137,299,576
(e) Depreciation and amortisation expense	12.B	79,372,762	35,362,095
(f) Other expenses	25	78,451,859	53,266,685
		<u>1,272,542,098</u>	<u>250,423,467</u>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>(267,199,976)</b>	<b>(237,432,047)</b>
6 Exceptional items	26	-	116,529,208
<b>7 Profit / (Loss) before tax (5 ± 6)</b>		<u><b>(267,199,976)</b></u>	<u><b>(120,902,840)</b></u>
<b>8 Tax expense</b>		-	-
<b>9 Earnings per share (of ₹.10/- each)</b>			
Basic and Diluted		<b>(3.59)</b>	<b>(1.63)</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Bharat Shroff & Co**  
Chartered Accountants  
(Firm Regn.No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

For and on behalf of the Board of Directors

**H.K.Sharma** Chairman  
**Hemant B. Vyas** Managing Director  
**S.K.Saha** Finance Director  
**M.K.Das** Director  
**Girindra Mohan Das** Director

**Bharat B. Shroff**  
Proprietor (M.No. 014822)

**Debashish Bordoloi**  
Partner (M.No. 068018)

Place : Guwahati  
Date : 09.12.2013

## Prag Bosimi Synthetics Limited

### Notes forming part of the Financial Statements

Particulars	As at 30th September 2013		As at 31st March, 2012	
	Number of shares	₹	Number of shares	₹
<b>Note 3 Share capital</b>				
<b>(a) Authorised</b>				
Equity shares of ₹.10/- each with voting rights	120,000,000	1,200,000,000	120,000,000	1,200,000,000
Equity shares (Unclassified) of ₹.10/- each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
Optionally convertible preference shares of ₹.100/- each	1,000,000	100,000,000	1,000,000	100,000,000
Redeemable preference shares of ₹.100/- each	9,000,000	900,000,000	9,000,000	900,000,000
<b>Total</b>	<b>160,000,000</b>	<b>2,500,000,000</b>	<b>160,000,000</b>	<b>2,500,000,000</b>
<b>(b) Issued,Subscribed and Called up</b>				
Equity shares of ₹.10/- each with voting rights	74,382,960	743,829,600	74,382,960	743,829,600
Optionally convertible preference shares of ₹.100/- each	-	-	1,000,000	100,000,000
Redeemable preference shares of ₹.100/- each	-	-	7,146,250	714,625,000
<b>Total</b>	<b>74,382,960</b>	<b>743,829,600</b>	<b>82,529,210</b>	<b>1,558,454,600</b>

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Other changes (Calls in Arrears)	Closing Balance
Equity shares with voting rights			
Period ended 30th September, 2013			
- Number of shares	7,43,82,960		7,43,82,960
- Amount (in ₹.)	74,38,29,600	31,26,300	74,38,29,600
Year ended 31st March, 2012			
- Number of shares	7,43,82,960		
- Amount (in ₹.)	74,38,29,600	31,26,300	74,38,29,600
Cumulative Convertible Preference Shares			
Period ended 30th September, 2013			
- Number of shares	-		-
- Amount (in ₹.)	-		-
Year ended 31st March, 2012			
- Number of shares	10,00,000		10,00,000
- Amount (in ₹.)	10,00,00,000		10,00,00,000
Redeemable Cumulative Convertible Preference Shares			
Period ended 30th September, 2013			
- Number of shares	-		-
- Amount (in ₹.)	-		-
Year ended 31st March, 2012			
- Number of shares	71,46,250		71,46,250
- Amount (in ₹.)	71,46,25,000		71,46,25,000

## Notes forming part of the financial statements

### Note 3 Share capital (contd.)

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 30th September, 2013		As at 31st March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Assam Industrial Development Corporation Limited	18,377,980	24.707	18,377,980	24.707
Akhilesh Mercantile Private Limited	6,423,909	8.636	6,423,909	8.636
Devsai Investments and Finances Private Limited	4,250,000	5.714	4,250,000	5.714

Particulars	As at 30th September, 2013		As at 31st March, 2012	
	₹		₹	
<b>Note 4 Reserves and surplus</b>				
(a) Capital Reserve				
Opening balance		16,700,000		16,700,000
Add: Additions during the period		—		—
Closing balance		16,700,000		16,700,000
(b) Other Reserves				
Opening balance		747,363,450		747,314,394
Add: Additions / transfers during the period		—		49,056
Closing balance		747,363,450		747,363,450
(c) Capital Redemption Reserve				
Opening balance		—		—
Add: Additions / transfers during the period		814,625,000		—
Closing balance		814,625,000		—
(d) Surplus / (Deficit) in Statement of Profit and Loss				
Opening balance		(1,095,736,195)		(974,833,355)
Add: Profit / (Loss) for the period		(267,199,976)		(120,902,840)
Closing balance		(1,362,936,171)		(1,095,736,195)
<b>Total</b>		<b>215,752,278</b>		<b>(331,672,745)</b>

### Note 5 Long-term borrowings

(a) Bonds / debentures				
Secured				
Optionally Cumulative Convertible Debentures		575,217,500		575,217,500
		<u>575,217,500</u>		<u>575,217,500</u>
(b) Term loans				
Secured				
Working Capital Term Loan		35,000,000		35,000,000
Unsecured		55,664,955		55,664,955
		<u>90,664,955</u>		<u>90,664,955</u>
(c) Loans and advances from related parties				
Unsecured		406,460,888		165,200,000
<b>Total</b>		<b>1,072,343,343</b>		<b>831,082,455</b>

## Prag Bosimi Synthetics Limited

### Notes forming part of the financial statements

#### Note 5 Long-term borrowings (contd.)

Particulars					
Particulars	Terms and Conditions	As at 30th September, 2013		As at 31st March, 2012	
		Secured	Unsecured	Secured	Unsecured
8% Optionally Cumulative Convertible Debentures of ₹ 100/- each	Second charge on whole of the movable property of the Company including its plant and machinery, machinery spares, tools and accessories, vehicle, furniture, fixture and other movable both present and future and immovable properties of the Company comprised in lands and all those pieces and parcels of leasehold land situated at leasehold land admeasuring 299 Bighas and 1 Lessa in Dag No. 701 of K P Patta No. 34 of Village Bhotodal, Mouza- Lakrai within Sipajhar Circle, District Darrang in the State of Assam.	575,217,500	NIL	575,217,500	NIL
Total Optionally Cumulative Convertible Debentures		575,217,500	NIL	575,217,500	NIL

(ii) Details of security provided in respect of borrowings:

Particulars					
Particulars	Terms of Repayment and Security	As at 30th September, 2013		As at 31st March, 2012	
		Secured	Unsecured	Secured	Unsecured
<b>Loans from banks:</b>	First Charge on the Current Assets and Second Charge on the Fixed Assets of the Company for sanctioning of various Credit facilities.	300,000,000	NIL	300,000,000	NIL
<b>Term loans from other parties:</b>					
Financial Institution	First Charge on the Fixed Assets of the Company	35,000,000	NIL	35,000,000	NIL
Financial Institution	First Charge on the Immovable properties of the Company comprised in lands and all those pieces and parcels of leasehold land situated at leasehold land admeasuring 299 Bighas and 1 Lessa in Dag No. 701 of K P Patta No. 34 of Village Bhotodal, Mouza- Lakrai within Sipajhar Circle, District Darrang in the State of Assam. Rate of Interest - 16.50% p.a Terms of repayment- Interest to be paid on 15th of every month.	370,000,000	NIL	370,000,000	NIL



**Notes forming part of the financial statements**

Particulars	As at 30th September, 2013 ₹	As at 31st March, 2012 ₹
<b>Note 6 Other long-term liabilities</b>		
(a) Trade Payables		
Creditors & Others Creditors - Non Current	44,840,041	24,080,479
(b) Others		
(i) Advances from customers	1,103,221	908,656
(ii) Others - Duties & Taxes	1,154,661	163,201
(iii) Statutory Dues	812,760	-
(c) Interest accrued but not due on borrowings		
(i) Interest Accrued on WCTL	3,728,219	928,219
(ii) Interest Accrued on 8% Optionally Cumulative Convertible Debentures	47,133,776	1,116,376
<b>Total</b>	<b>98,772,678</b>	<b>27,196,931</b>
<b>Note 7 Long-term provisions</b>		
(a) Provision for employee benefits		
(i) Provision for Salary	5,798,687	4,239,344
(ii) Provision for gratuity	5,958,596	5,683,494
(iii) Provision for other employee benefits -LTA	1,407,515	993,204
(iv) Provision for other defined benefit plans	164,024	164,024
	<b>13,328,821</b>	<b>11,080,066</b>
(b) Provision - Others		
(i) Provision for Profession Tax	1,223,194	797,617
(ii) Provision	242,959	100,950
	<b>1,466,153</b>	<b>898,567</b>
<b>Total</b>	<b>14,794,975</b>	<b>11,978,633</b>
<b>Note 8 - Short-term borrowings</b>		
(a) From other parties		
Secured		
Cash Credit Banks	82,501,654	59,524,203
Loan from Financial Institution	262,365,741	370,000,000
	<b>344,867,395</b>	<b>429,524,203</b>
(b) Loans and advances from related parties		
Unsecured	809,462	587,497
	<b>809,462</b>	<b>587,497</b>
<b>Total</b>	<b>345,676,857</b>	<b>430,111,700</b>
<b>Note 9 - Trade payables</b>		
Trade payables		
Bills Payables	-	19,298,185
Creditors	364,748,230	10,859,638
<b>Total</b>	<b>364,748,230</b>	<b>30,157,823</b>

# Prag Bosimi Synthetics Limited

## Notes forming part of the financial statements

Particulars	As at 30th September, 2013 ₹	As at 31st March, 2012 ₹
<b>Note 10 Other current liabilities</b>		
(a) Interest accrued but not due on borrowings		
Interest Accrued on WCTL	4,203,835	2,800,000
Interest Accrued on 8% Optionally Cumulative Convertible Debentures	69,089,137	46,017,400
(b) Interest accrued and due on borrowings	1,909,932	2,538,082
(c) Statutory Dues	4,693,577	1,537,589
(d) Others Liabilities	243,260	68,499
<b>Total</b>	<b>80,139,741</b>	<b>52,961,570</b>

### Note 11 - Short-term provisions

(a) Provision for employee benefits		
(i) Provision for Salary & others	5,155,111	5,247,914
(ii) Provision for gratuity	1,393,144	1,132,444
(iii) Provision for LTA	385,787	503,107
(iv) Provision for Leave Encashment	3,661,913	2,805,932
	<b>10,595,955</b>	<b>9,689,397</b>
(b) Provision - Others		
(i) Provision for Profession Tax	6,845	121,924
(ii) Provision	2,650,206	155,000
	<b>2,657,051</b>	<b>276,924</b>
<b>Total</b>	<b>13,253,006</b>	<b>9,966,321</b>

### Note 12 Fixed Assets

A. Tangible assets	Gross block				Accumulated depreciation and impairment				Net block
	Balance as at 31.03.2012	During the year ended 30.09.2013		Balance as at 30.09.2013	Balance as at 31.03.2012	Depreciation/ amortisation expense for the period	Eliminated on disposal of assets	Balance as at 30.09.2013	Balance as at 30.09.2013
		Additions	Disposals						
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land									
Freehold	578,617	-	-	578,617	-	-	-	-	578,617
Leasehold	599,678	-	-	599,678	289,980	29,988	-	319,968	279,710
(b) Buildings									
Owned	518,628,613	-	-	5,18,628,613	161,476,129	25,885,248	-	187,361,377	331,267,235
(c) Plant and Equipment									
Owned	2,209,926,217	17,065,747	3,328,288	2,223,663,676	327,428,095	52,584,670	2,908,488	377,104,276	1,846,559,400
(d) Furniture and Fixtures									
Owned	15,477,206	528,182	-	16,005,388	11,369,486	611,262	-	11,980,748	4,024,640
(e) Vehicles									
Owned	2,765,037	1,648,998	1,705,502	2,708,533	1,471,456	261,595	1,483,244	249,807	2,458,726
(f) Office equipment									
Owned	3,926,955	-	-	3,926,955	2,809,649	-	-	2,809,649	1,117,306
<b>Total</b>	<b>2,751,902,322</b>	<b>19,242,927</b>	<b>5,033,790</b>	<b>2,766,111,460</b>	<b>504,844,795</b>	<b>79,372,762</b>	<b>4,391,732</b>	<b>579,825,826</b>	<b>2,186,285,634</b>
<b>Previous Period</b>	<b>2,774,563,974</b>	<b>34,280,992</b>	<b>56,942,644</b>	<b>2,751,902,322</b>	<b>631,464,413</b>	<b>35,362,095</b>	<b>161,981,713</b>	<b>504,844,795</b>	<b>2,247,057,527</b>

## Notes forming part of the financial statements

## Note 12 Fixed assets (contd.)

## B. Depreciation and amortisation relating to continuing operations:

Particulars	As At	
	30th September 2013	31st March, 2012
	₹	₹
Depreciation and amortisation for the period on tangible assets as per Note 12A	79,372,672	35,362,095
<b>Total</b>	<b>79,372,672</b>	<b>35,362,095</b>
<b>C. Capital Work-in-progress</b>		
(a) Buildings & Civil work under Construction	2,310,588	1,926,523
(b) Plant & Machinery	8,617,102	1,732,564
<b>Total</b>	<b>10,927,690</b>	<b>3,659,087</b>

## Note 13 Non-current investments

Particulars	As At		As At	
	30th September 2013		31st March, 2012	
	Unquoted	Total	Unquoted	Total
	₹	₹	₹	₹
Investments (At cost):				
A. Unquoted				
(a) Investments in Equity				
(i) Investments of subsidiaries				
Prag Bosimi Packaging Pvt. Ltd. 10000 shares of ₹10/- each fully paid up	100,000	100,000	100,000	100,000
Prag Bosimi Texturising Pvt. Ltd. 10000 shares of ₹10/- each fully paid up	100,000	100,000	100,000	100,000
Prag Jyoti Textile Park Pvt. Ltd. 100000 shares of ₹10/- each fully paid up	1,000,000	1,000,000	1,000,000	1,000,000
	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>

Particulars	As At		As At	
	30th September 2013		31st March, 2012	
	₹	₹	₹	₹
<b>Note 14 Long-term loans and advances</b>				
(a) Advance Receivable in Cash In Kind				
Unsecured, considered good	185,397,932		184,863,417	
(b) Balances with government authorities				
Unsecured, considered good				
(i) CENVAT credit receivable	1,812,800		824,000	
(ii) Service Tax credit receivable	144,876		144,876	
	<b>1,957,676</b>		<b>968,876</b>	
<b>Total</b>	<b>187,355,607</b>		<b>185,832,293</b>	
<b>Note 15 Other non-current assets</b>				
(a) Long-term trade receivables				
Unsecured, considered good	9,946,740		6,263,354	
(b) Security Deposits				
Unsecured, considered good	8,455,946		38,655,459	
(c) Others	3,126,300		3,126,300	
Calls in Arrears				
<b>Total</b>	<b>21,528,986</b>		<b>48,045,113</b>	

## Prag Bosimi Synthetics Limited

### Notes forming part of the financial statement

Particulars	As At 30th September 2013 ₹	As At 31st March, 2012 ₹
<b>Note 16 Inventories</b> (At lower of cost and net realisable value)		
(a) Raw materials	11,145,971	17,245,267
Goods-in-transit	–	4,476,423
	<u>11,145,971</u>	<u>21,721,690</u>
(b) Work-in-progress	7,792,166	9,355,779
(c) Finished goods	37,638,654	37,408,287
(d) Stores and spares	54,335,243	44,106,000
	<u>54,335,243</u>	<u>44,106,000</u>
<b>Total</b>	<u><u>110,912,033</u></u>	<u><u>112,591,756</u></u>
<b>Note 17 Trade receivables</b>		
Unsecured, considered good	420,369,608	3,805,409
<b>Total</b>	<u><u>420,369,608</u></u>	<u><u>3,805,409</u></u>
<b>Note 18 Cash and cash equivalents</b>		
(a) Cash on hand	70,003	113,894
(b) Balances with banks		
(i) In current accounts	1,630,639	2,933,827
(ii) In deposit accounts	1,303,959	1,303,959
	<u>3,004,600</u>	<u>4,351,680</u>
<b>Total</b>	<u><u>3,004,600</u></u>	<u><u>4,351,680</u></u>
<b>Note 19 Short-term loans and advances</b>		
(a) Loans and advances to related parties		
Unsecured, considered good - Current	498,976	506,866
(b) Security deposits		
Unsecured, considered good	–	4,868,661
(c) Loans and advances to employees		
Unsecured, considered good - Current	319,682	645,599
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	2,461,159	5,327,038
(ii) VAT credit receivable	667,092	16,982
(iii) Service Tax credit receivable	2,600,732	1,343,344
(iv) Entry Tax	376,000	376,000
(v) T.D.S.	802,909	609,933
	<u>6,907,893</u>	<u>7,673,297</u>
<b>Total</b>	<u><u>7,726,551</u></u>	<u><u>13,694,423</u></u>

## Notes forming part of the financial statements

Particulars	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹
<b>Note 20 Revenue from operations</b>		
(a) Sale	997,462,309	911,008
(b) Other operating revenues:		
(i) Sale of scraps	3,214,029	1,812,447
(ii) Others	339,597	2,855,508
<b>Total</b>	<b>1,001,015,935</b>	<b>5,578,963</b>
<b>Note 21 Other income</b>		
(i) Interest income comprises		
Interest on loans and advances	4,562,237	4,719,870
Other balances	268,903	24,376
<b>Total - Interest income</b>	<b>4,831,140</b>	<b>4,744,246</b>
Rental income from Machine	-	5,000
Miscellaneous income (net of expenses directly attributable)	-	122,453
Sundry Creditors Witten off	-	11,603
<b>Total - Other non-operating income</b>	<b>-</b>	<b>139,056</b>
(ii) Details of Prior period items (Net)		
<b>Prior period income</b>		
Settlement of Statutory Dues	83,026	257,083
Provision witten off	-	1,500,185
Settlement of Dues	-	9,387,410
<b>Prior period expenses</b>		
ASEB Claims	-	5,908,786
TDS interest	-	367,400
Service Tax Claim	-	695,654
Vendors Claim	587,979	1,531,107
Short Provision of Employee	-	112,576
	<b>(504,953)</b>	<b>2,529,155</b>
<b>Total</b>	<b>4,326,187</b>	<b>7,412,457</b>

## Prag Bosimi Synthetics Limited

### Notes forming part of the financial statements

Particulars	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹
<b>Note 22.a Cost of materials consumed</b>		
Opening stock	21,721,690	4,681,879
Add: Purchases	45,163,511	43,227,663
Add: Transfer from Finish Goods	6,559,000	4,267,960
	<u>73,444,201</u>	<u>52,177,502</u>
Less: Closing stock	17,834,001	21,721,690
Cost of materials consumed	55,610,200	30,455,812
Trading Material	811,645,414	-
Less : Abnormal Loss in Production	-	139,456
<b>Total</b>	<u><u>867,255,614</u></u>	<u><u>30,316,356</u></u>
<b>Note 22.b Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Finished goods	37,638,654	37,408,287
Work-in-progress	7,792,166	9,355,779
<b>Total</b>	<u>45,430,820</u>	<u>46,764,066</u>
Inventories at the beginning of the year:		
Finished goods	37,408,287	6,441,009
Work-in-progress	9,355,779	(4,267,960)
<b>Total</b>	<u>46,764,066</u>	<u>2,173,049</u>
Net (increase) / decrease	<u><u>1,333,246</u></u>	<u><u>(44,591,017)</u></u>
<b>Note 23 Employee benefits expense</b>		
Salaries and wages	54,383,922	35,743,696
Contributions to provident and other funds	2,367,476	1,394,468
Staff welfare expenses	1,803,088	1,631,608
<b>Total</b>	<u><u>58,554,486</u></u>	<u><u>38,769,772</u></u>
<b>Note 24 Finance costs</b>		
(a) Interest on borrowing from :		
Banks, Financial Institution, OCCD and others	187,074,130	137,299,576
Upfront Fees to Bank	500,000	-
<b>Total</b>	<u><u>187,574,130</u></u>	<u><u>137,299,576</u></u>

## Notes forming part of the financial statements

Particulars	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹
<b>Note 25 Other expenses</b>		
Power and fuel	34,707,338	2,400,839
Rent including lease rentals	6,267,120	6,134,926
Repairs and maintenance - Buildings	79,546	47,450
Repairs and maintenance - Machinery	910,008	221,267
Repairs and maintenance - Others	693,519	858,993
Insurance	3,029,194	1,481,164
Rates and taxes	302,772	26,017
Communication	1,808,639	2,381,904
Travelling and conveyance	2,471,700	2,350,680
Printing and stationery	668,839	859,350
Freight and forwarding	5,468,561	2,573,591
Business promotion	3,225	336,397
Donations and contributions	60,022	20,200
Legal and professional	6,271,527	5,022,440
Auditors' Remuneration (See footnote below)	324,761	155,000
Loss on fixed assets sold / scrapped	419,558	10,220,944
Abnormal Loss on Production	-	139,456
Trial Run Expenses	-	2,883,000
Miscellaneous expenses	14,965,531	15,153,067
<b>Total</b>	<b>78,451,859</b>	<b>53,266,685</b>

Footnote :

Details of Auditors' Remuneration:

Audit Fees	232,500	105,000
Taxation matters	67,261	25,000
Other services	25,000	25,000
<b>Total</b>	<b>324,761</b>	<b>155,000</b>

**Note 26 Exceptional items**

Write back of Provision for Depreciation	-	116,529,208
<b>Total</b>	<b>-</b>	<b>116,529,208</b>

**NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED 30th SEPTEMBER, 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.

The Company follows the accrual system of accounting and recognizes Income and Expenditure on accrual basis.

Accounting policies not referred to otherwise are consistent with the Generally Accepted Accounting Principles.

**(B) SIGNIFICANT ACCOUNTING POLICIES:**

**(i) Fixed Assets :**

Fixed Assets are stated at cost of acquisition or construction and includes amounts added/reduced on revaluation less accumulated depreciation. Impairment losses have been accounted as per the mandatory Accounting Standards issued by The Institute of Chartered Accountants of India as applicable and the relevant provisions of The Companies Act, 1956.

Borrowing costs for acquisition or construction of a qualifying asset and revenue expenses incurred (including expenses on test runs and experimental production) for the period prior to the commencement of commercial production are capitalized proportionately as part of the asset cost in respect of machineries put to use.

**(ii) Depreciation :**

- (a) Depreciation on fixed assets other than lease-hold land is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- (b) Depreciation on additions/ deductions during the period has

been provided on pro-rata basis with reference to the month of addition/deduction.

- (c) Effective from 1<sup>st</sup> October, 2003 , the Leasehold land is amortized over the balance period of unexpired lease period in equal installments. The leasehold land was acquired on 1<sup>st</sup> August, 1989 for 30 years period at a premium of ₹. 599,678/-. Accordingly, the premium paid for acquiring the lease hold rights on the said leasehold land are being written off over the balance unexpired life of the lease.

- (d) The Company has not provided any depreciation on major part of its Plant & Machineries which are not put to use during the accounting period under review as per the accounting policy followed by the company.

**(iii) Expenditure during construction period :**

As per the consistent accounting policy all expenditure related to the project construction/implementation and income arising out of project activities and funds related to the project are capitalized and allocated to the respective fixed assets.

**(iv) Investments :**

Long-term investments are valued at cost subject to reduction made for diminution in value that is other than temporary in nature.

**(v) Inventories :**

In accordance with the revised Accounting Standard (AS-2), Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any.

- (a) Raw materials, stores, spares, consumables and construction



materials: At lower of cost or net realizable value.

- (b) Materials in process : At lower of cost or net realizable value.
- (c) Finished Goods : At lower of cost or net realizable value.

**(vi) Retirement Benefits :**

- (a) Defined Contribution Plan

The Company's liability towards Employee's Provident Fund scheme administered by the Employees Provident Fund Scheme, Government of India is considered as Defined Contribution Plan. The Company's contributions paid towards these defined contribution plan amounting to ₹ 20,45,389 /- is recognized as expense in the statement of Profit and Loss during the period in which the employees rendered the related service.

- (b) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment if any are considered as Defined Benefit Plans. The present value of the obligations towards gratuity is determined based on actuarial valuation using the projected unit credit method. As regards the Leave encashment, it is calculated on the actual balance leave of each employee on the period end. Provision of ₹ 36,61,913/- is accordingly made for leave encashment during the current period. This is done on the same basis as in the last accounting period.

**(vii) Transactions of foreign currency items :**

Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction. Foreign currency assets and other liabilities other than for financing fixed assets are stated

at the rate of exchange prevailing at the period end and resultant gains/losses are recognized in the capital work in progress. Foreign currency loans for financing fixed assets (other than those where the company is protected against exchange fluctuations) are accounted for at the rate of exchange prevailing at the period end and the resultant exchange difference is adjusted to the cost of assets.

**(viii) Government Grants :**

- (a) Revenue grants are recognized in the Profit & Loss account.
- (b) Capital Grants relating to specific fixed assets are shown under capital reserve.

**(ix) Taxes on Income :**

No provision for taxation is made as the profits and gains of units set up in North Eastern State are tax free under the Income Tax Act, 1961 and the company has also incurred losses during the period.

No provision for deferred taxation is made in accounts as the company has been incurring losses period after period and Company's business income is also exempt u/s 80IC of Income Tax Act, 1961.

**(x) Provisions:**

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

- (xi) There were no events occurring after the Balance Sheet date which are reportable.

**(xii) Revenue Recognition:**

- (a) Sales are recognized on dispatch to customers and are net of returns, discounts and sales tax.
- (b) Other Income and Expenditure are recognized and accounted on accrual basis.

## Prag Bosimi Synthetics Limited

### 2. NOTES TO ACCOUNTS

(i) Contingent liabilities not provided for:

Sr. No.	Particulars	As At 30th September, 2013 ₹	As At 31st March, 2012 ₹
a)	Counter Guarantees for Sales tax	5,000	5,000
b)	Dividend payable on Cumulative Convertible Preference Shares (Refer Note (ii) below)	—	—
c)	Claims against the company not acknowledged as debts	6,42,43,000	6,14,00,000
d)	Letter of undertaking executed in favour of Joint Director General of foreign trade under Duty Exemption Entitlement Scheme (Advance License Scheme) for custom duty	1,30,40,682	1,30,40,682
e)	Letters of credit and Bank Guarantees given by bankers on behalf of the Company.	52,50,000	52,50,000

(ii) The Cumulative Convertible Preference Shares (CCPS) and Redeemable Convertible Cumulative Preference Shares (RCCPS) were also part of approved Corporate Debt Restructuring Scheme. In terms of Corporate Debt Restructuring Scheme, these CCPS and RCCPS have to be cancelled from the books of accounts. However such cancellation has the effect of reduction in capital as per the provisions of The Companies Act, 1956 which requires prior approval of High Court. The proposal was formally approved by the shareholders. Subsequently, approval of Guwahati High Court was received vide order dated 21<sup>st</sup> December, 2012. Therefore, CCPS of ₹ 10,00,00,000/- (1,00,000 shares of ₹ 100/- each) & RCCPS of ₹ 71,46,25,000/- (71,46,250 shares of ₹ 100/- each) both totaling ₹ 81,46,25,000/- were cancelled on 16<sup>th</sup> February, 2013 from the accounts.

(iii) The board is contemplating taking steps for recovering the calls-in-arrears from defaulting applicants, including forfeiture of the shares as a last resort after exhausting all other avenues for recovery in a spirit of maintaining shareholder friendly environment. The Board

therefore considers it prudent not to provide for the interest on calls-in-arrears.

- (iv) Estimated amount of contracts remaining to be executed on capital account net of advances is ₹ Nil (Previous Period ₹ Nil/-)
- (v) Loans and Advances include ₹ 77,28,700/- (Previous Period ₹ 3,83,27,274/-) overdue from various parties on account of accommodation deposits, security deposits, advances given to suppliers, ex-employees, etc. Compensation for delayed payment, if any, will be accounted in the books of account, if and when realized. No provision is made since the Company has recovered part of the amount and is hopeful of recovering the balance amount.
- (vi) There is no amount overdue and remaining unpaid to small scale/or ancillary Industrial Suppliers on principal and/or interest as at the close of the period.
- (vii) Previous period's figures have been regrouped/reclassified/rearranged wherever necessary.
- (viii) In the opinion of the Board of Directors, in the ordinary course of business the value on

realization of current assets, loans and advances, including security Deposits are at least equal to the amount at which they are stated in the Balance Sheet.

- (ix) Amounts appearing in Trade Receivables & Payables are realized and paid as on date of signing. Balances of Banks, Sundry Debtors, Sundry Creditors, Loans & Advance, and Deposits are subject to confirmation.
- (x) Profit and Loss Account of the current period includes following remuneration paid/credited/ accrued to managerial personnel.

	Current Period ₹	Previous Period ₹
Salary	29,70,000	29,70,000
House Rent Allowance	3,37,500	3,37,500
Other Allowances	5,65,345	2,47,614
Total	38,72,845	35,55,114

- (xi) The AS-17 "Segment Reporting" is not applicable as the Company has operated only in one segment i.e. Manufacturing of Yarn.
- (xii) AS-18 Related Party Information:

Pursuant to AS-18 information on remuneration paid to Key Management Personnel is given in the report on Corporate Governance under the heading "Remuneration to Directors" for Shri. Hemant B.Vyas - Managing Director and Shri S. K. Saha - Finance Director.

Loans from Related Parties:

Particulars	Relationship	Amount (₹.)
Hemant B. Vyas	Promoter	14,42,69,183
Nandraj Developers Pvt. Ltd.	Shareholder	3,00,00,000
Prag Jyoti Textile Park Pvt. Ltd.	Wholly owned Subsidiary	8,09,462
Bosimi Exports (India) Ltd.	Common Director	2,02,91,705
Akhilesh Mercantile Pvt. Ltd.	Common Director	20,00,000
Ayodhya Vintrade Pvt. Ltd.	Common Director	11,74,50,000
Karmaland Infrastructure & Development Pvt. Ltd.	Common Director	2,00,00,000
Sambhav Commodities Pvt. Ltd.	Common Director	2,53,50,000
Kasturi Barter Pvt. Ltd.	Common Director	4,71,00,000

Advances to Related Parties:

Particulars	Relationship	Amount (₹.)
Prag Bosimi Texturising Pvt. Ltd.	Wholly owned Subsidiary	40,538
Prag Bosimi Packaging Pvt. Ltd	Wholly owned Subsidiary	4,58,438

- (xiii) Additional information as far as applicable pursuant to the provision of paragraph 3, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956 is as per Annexure I.
- (xiv) Additional information pursuant to part IV of the Schedule VI of the Companies Act, 1956 is as per Annexure II.
- (xv) Cash flow Statement is annexed to this Schedule as Annexure III.
- (xvi) Earnings per Share
- |   |                |                |
|---|----------------|----------------|
| Earnings per Share  | 30.09.2013     | 31.03.2012     |
| Net profit /(loss)  |                |                |
| as per P/L Account (₹.)   | (26,71,22,476) | (12,09,02,840) |
| Weighted average number of equity shares outstanding (Nos)          | 7,43,82,960    | 7,43,82,960    |
| Basic and diluted earnings per share (Face value ₹. 10/- per Share) | (3.59)         | (1.63)         |

In terms of our report attached.

**For Bharat Shroff & Co**  
Chartered Accountants  
(Firm Regn.No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**For and on behalf of the Board of Directors**

**H.K.Sharma** Chairman  
**Hemant B. Vyas** Managing Director  
**S.K.Saha** Finance Director  
**M.K.Das** Director  
**Girindra Mohan Das** Director

**Bharat B. Shroff**  
Proprietor (M.No. 014822)

**Debashish Bordoloi**  
Partner (M.No. 068018)

Place : Guwahati  
Date : 09.12.2013

## Prag Bosimi Synthetics Limited

### ANNEXURE-I

#### A. DETAILS OF OPENING STOCK, PURCHASES, SALES & CLOSING STOCK OF FINISHED GOODS ARE AS UNDER

	Unit	For the 18 months period ended 30.09.2013		For the 18 months period ended 31.03.2012	
		Quantity	Amount ₹	Quantity	Amount ₹
a. Opening Stock					
Yarn	MT	352.29	37,408,287	38.69	2,173,049
Polyester chips	MT	-	-	106.70	4,267,960
Others		-	-	-	-
b. Purchases					
Polyester chips					
Yarn	MT	1.02	240,569	-	-
Fabric	MTRS	3,474,176	811,645,414	-	-
Others		-	-	-	-
c. Actual Production/Processed					
Yarn (net of captive consumption)	MT	733.64	-	341.95	-
Polyester chips	MT	-	-	-	-
d. Sales					
Yarn	MT	966.16	92,798,273	28.35	911,008
Fabric	MTRS	3,474,176	894,258,075	-	-
Others		-	13,959,587	-	4,667,955
Transfer to Raw Material	MT	-	-	106.70	4,267,960
e. Closing Stock					
Yarn	MT	120.79	14,183,761	352.29	37,408,287
Others		-	23,454,893	-	-
B. (i) Details of Raw Materials Consumed					
Polyester chips	MT	785.96	49,401,057	430.74	30,000,505
Others		-	6,209,153	-	-
Total		<u>785.96</u>	<u>55,610,200</u>	<u>430.74</u>	<u>30,000,505</u>
(ii) Details of value of imported and indigenous Raw Material, Components consumed and percentage of each to the total consumption					

	For the 18 months period ended 30.09.2013		For the 18 months period ended 31.03.2012	
	%	Amount ₹	%	Amount ₹
Raw Materials				
-imported	-	-	-	-
-indigenous	100	49,401,057	100	30,000,505
	<u>100</u>	<u>49,401,057</u>	<u>100</u>	<u>30,000,505</u>
Stores, spares and consumables				
-imported	-	-	-	-
-indigenous	100	6,209,143	100	2,669,556
	<u>100</u>	<u>6,209,143</u>	<u>100</u>	<u>2,669,556</u>

**ANNEXURE-I Contd.**

	For the 18 months period ended 30.09.2013 Amount ₹	For the 18 months period ended 31.03.2012 Amount ₹	
C. Auditors' remuneration includes:			
Audit Fees	232,500	115,000	
Certification Fees	67,261	25,000	
Fees for Taxation matter	25,000	15,000	
Total	324,761	155,000	
D. Licenced & installed Capacity (as certified by the Management)			
	Units	Licenced Capacity	As at 30/09/2013 Installed Capacity
Polyester Filament Yarn	TPA	25,000	36,000
Draw Texturising Machines	Nos		2
Cone Winding Machine	Nos		1
Dyeing Machine	Nos		1
	<b>For the 18 months period ended 30.09.2013 Amount(₹)</b>		<b>For the 18 months period ended 31.03.2012 Amount(₹)</b>
E. Expenditure in Foreign Currency (On actual payment basis)			
i) Technical Services	-		-
ii) Other matters	-		-

## Prag Bosimi Synthetics Limited

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### ANNEXURE-II

#### BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

i. Registration Details

Registration No	2758	State Code	02
Balance Sheet Date	30-Sep-13		

ii. Capital raised during the year(Amount in rupees thousands)

Public issue	Nil	Rights issue	Nil
Bonus issue	Nil	Private Placement	Nil

iii. Position of Mobilisation and Deployment of Funds(Amount in rupees thousands)

Total liabilities	2,949,310,708	Total assets	2,949,310,708
Sources of funds			
Paid up Capital	743,829,600	Reserves & Surplus	215,752,278
Non-current liabilities	1,185,910,996	Current liabilities	803,817,834
Application of Funds :			
Net Fixed Assets & CWIP	2,197,213,324		
Non-current assets	210,084,593	Current assets	542,012,792

iv. Performance of Company (Amount in rupees thousands)

Turnover (including other income)	1,005,342,122	Total Expenditure	1,272,542,098
Profit/(Loss) Before Tax	(267,199,976)	Profit/(Loss)After Tax	(267,199,976)
		Earning Per Share	(3.59)

v. Generic Name of the Principal Products of the Company

Item Code No.(ITC Code)	5402.42
Product Description	Polyester Filament Yarn (PFY)

**ANNEXURE III****CASHFLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED 30.09.2013  
AS PER LISTING AGREEMENT**

PARTICULARS	For the 18 months period ended 30.09.2013 ₹	For the 18 months period ended 31.03.2012 ₹
<b>A. Net Profit/(Loss) before tax and Extraordinary items</b>	<b>(267,199,976)</b>	<b>(120,902,840)</b>
Adjustments for :		
Depreciation	79,342,774	35,332,107
Amortisation of Preliminary/Shares Issue Exp		
Amortisation of Leasehold Land	29,988	29,988
Interest (Net)	187,574,130	137,299,576
Operating Profit/(Loss) before capital changes	<b>(253,084)</b>	<b>51,758,831</b>
Adjustments for :		
Inventories	1,679,723	(59,747,886)
Trade Receivable	(390,048,072)	(44,774,570)
Trade and other payables	439,447,352	61,415,490
Cash generated from operations	50,825,920	8,651,866
Less : Interest Paid	(187,574,130)	(137,299,576)
Interest Received		
Net cash from operating activities	<b>(136,748,211)</b>	<b>(128,647,710)</b>
<b>B. Cash flow from investing activities</b>		
Purchase/Sale of fixed assets including CWIP (Net)	<b>(25,869,472)</b>	<b>(142,979,148)</b>
Sales/(Purchase) of investments		
Provision for diminution in the value of investments	-	(1,200,000)
Preliminary expenses		
Loans and advances and other current assets	4,444,558	23,673,814
Long term bank deposits/margins		
Net cash used in investing activities	<b>(21,424,914)</b>	<b>(120,505,334)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of shares		
Share application money		
Appropriation of Term Loan	-	49,055
Proceeds from long-term borrowings (Net)	156,826,045	172,574,172
Net cash from financing activities	<b>156,826,045</b>	<b>172,623,227</b>
Net increase in cash and cash equivalents (A+B+C)	<b>(1,347,080)</b>	<b>(76,529,818)</b>
Cash/cash equivalents (Opening)	<b>4,351,680</b>	<b>80,881,498</b>
Cash/cash equivalents (Closing)	<b>3,004,600</b>	<b>4,351,680</b>
	<b>(1,347,080)</b>	<b>(76,529,818)</b>

In terms of our report attached.

**For Bharat Shroff & Co**  
Chartered Accountants  
(Firm Regn.No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

For and on behalf of the Board of Directors

**H.K.Sharma** Chairman  
**Hemant B. Vyas** Managing Director  
**S.K.Saha** Finance Director  
**M.K.Das** Director  
**Girindra Mohan Das** Director

**Bharat B. Shroff**  
Proprietor (M.No. 014822)

**Debashish Bordoloi**  
Partner (M.No. 068018)

Place : Guwahati  
Date : 09.12.2013

## **Prag Bosimi Synthetics Limited**

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### **INDEPENDENT AUDITORS' REPORT**

To,  
**THE MEMBERS OF PRAG BOSIMI SYNTHETICS LIMITED**

#### **Report on the Financial Statement**

We have audited the accompanying consolidated financial statements of PRAG BOSIMI SYNTHETICS LIMITED and its subsidiaries, which comprise the consolidated Balance Sheet as at 30<sup>th</sup> September, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 30<sup>th</sup> September, 2013.
- (b) In the case of the consolidated Statement of Profit and Loss, of the loss of the Company for the period ended on that date.
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the period ended on that date.
- (d) The company has not provided any depreciation on a major part of its Plant & Machinery which is not put to use during the accounting period under review as per the accounting policy followed by the company.

**For Bharat Shroff & Co.**  
Chartered Accountants  
(Firm Reg. No:-131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**Bharat B. Shroff**  
Proprietor  
(Membership No. 014822)  
Place : Guwahati  
Date : 9th December, 2013

**Debashish Bordoloi**  
Partner  
(Membership No. 068018)



**Consolidated Balance Sheet as at 30th September, 2013**

Particulars	Note No.	As at 30th September, 2013 ₹	As at 31st March 2012 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	743,829,600	1,558,454,600
(b) Reserves and surplus	4	<u>215,199,736</u>	<u>(332,148,120)</u>
		<b>959,029,336</b>	<b>1,226,306,480</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	1,072,343,343	831,082,455
(b) Other long-term liabilities	6	98,772,678	26,959,056
(c) Long-term provisions	7	<u>14,794,975</u>	<u>11,978,633</u>
		<b>1,185,910,996</b>	<b>870,020,144</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	344,867,395	429,524,203
(b) Trade payables	9	364,748,230	30,160,303
(c) Other current liabilities	10	80,150,947	52,962,350
(d) Short-term provisions	11	<u>13,381,609</u>	<u>10,059,938</u>
		<b>803,148,181</b>	<b>522,706,793</b>
<b>TOTAL</b>		<u><b>2,948,088,513</b></u>	<u><b>2,619,033,417</b></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12.A	2,186,285,634	2,247,057,527
(ii) Capital work-in-progress	12.C	<u>10,927,690</u>	<u>3,659,087</u>
		<b>2,197,213,324</b>	<b>2,250,716,614</b>
(b) Non-current investments	13	-	-
(c) Long-term loans and advances	14	187,355,607	185,832,293
(d) Other non-current assets	15	<u>21,907,870</u>	<u>48,423,997</u>
		<b>209,263,477</b>	<b>234,256,289</b>
<b>2 Current assets</b>			
(a) Inventories	16	110,912,033	112,659,339
(b) Trade receivables	17	420,369,608	3,805,409
(c) Cash and cash equivalents	18	3,096,097	4,395,809
(d) Short-term loans and advances	19	<u>7,233,975</u>	<u>13,199,957</u>
		<b>541,611,713</b>	<b>134,060,514</b>
<b>Total</b>		<u><b>2,948,088,513</b></u>	<u><b>2,619,033,417</b></u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Bharat Shroff & Co**  
Chartered Accountants  
(Firm Regn.No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

For and on behalf of the Board of Directors

**H.K.Sharma** Chairman  
**Hemant B. Vyas** Managing Director  
**S.K.Saha** Finance Director  
**M.K.Das** Director  
**Girindra Mohan Das** Director

**Bharat B. Shroff**  
Proprietor (M.No. 014822)

**Debashish Bordoloi**  
Partner (M.No. 068018)

Place : Guwahati  
Date : 09.12.2013

## Prag Bosimi Synthetics Limited

### Consolidated Statement of Profit and Loss for the period ended 30th September, 2013

Particulars	Note No.	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹	
<b>A CONTINUING OPERATIONS</b>				
1	Revenue from operations (net)	20	1,001,015,935	5,578,963
2	Other income	21	4,326,187	7,412,457
3	<b>Total revenue (1+2)</b>		<u>1,005,342,122</u>	<u>12,991,420</u>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	22.a	867,255,614	30,337,779
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22.b	1,333,246	(44,591,017)
	(c) Employee benefits expense	23	58,554,486	39,207,581
	(d) Finance costs	24	187,574,130	137,299,576
	(e) Depreciation and amortisation expense	12.B	79,372,762	35,362,095
	(f) Other expenses	25	78,529,026	53,282,828
			<u>1,272,619,265</u>	<u>250,898,842</u>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(267,277,143)	(237,907,422)
6	Exceptional items	26	-	116,529,208
7	<b>Profit / (Loss) before tax (5 ± 6)</b>		(267,277,143)	(121,378,215)
8	<b>Tax expense</b>			
9	<b>Earnings per share (of ₹.10/- each)</b>			
	Basic and Diluted		(3.59)	(1.63)

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Bharat Shroff & Co**  
Chartered Accountants  
(Firm Regn.No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**For and on behalf of the Board of Directors**

**H.K.Sharma** Chairman  
**Hemant B. Vyas** Managing Director  
**S.K.Saha** Finance Director  
**M.K.Das** Director  
**Girindra Mohan Das** Director

**Bharat B. Shroff**  
Proprietor (M.No. 014822)

**Debashish Bordoloi**  
Partner (M.No. 068018)

Place : Guwahati  
Date : 09.12.2013

## Notes forming part of the Consolidated Financial Statements

Particulars	As at 30th September 2013		As at 31st March, 2012	
	Number of shares	₹	Number of shares	₹
<b>Note 3 Share capital</b>				
(a) <b>Authorised</b>				
Equity shares of ₹10/- each with voting rights	120,000,000	1,200,000,000	120,000,000	1,200,000,000
Equity shares (Unclassified) of ₹10/- each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
Optionally convertible preference shares of ₹100/- each	1,000,000	100,000,000	1,000,000	100,000,000
Redeemable preference shares of ₹100/- each	9,000,000	900,000,000	9,000,000	900,000,000
	<u>160,000,000</u>	<u>2,500,000,000</u>	<u>160,000,000</u>	<u>2,500,000,000</u>
(b) <b>Issued, Subscribed &amp; Called - Up</b>				
Equity shares of ₹10/- each with voting rights	74,382,960	743,829,600	74,382,960	743,829,600
Optionally convertible preference shares of ₹ 100/- each	-	-	1,000,000	100,000,000
Redeemable preference shares of ₹ 100/- each	-	-	7,146,250	714,625,000
<b>Total</b>	<u>74,382,960</u>	<u>743,829,600</u>	<u>82,529,210</u>	<u>1,558,454,600</u>
<b>Note 4 Reserves and surplus</b>				
(a) Capital Reserve		16,700,000		16,700,000
Add: Additions during the period		-		-
Closing balance		<u>16,700,000</u>		<u>16,700,000</u>
(b) Other Reserves				
Opening balance		747,363,450		747,314,394
Add: Additions / transfers during the period		-		49,056
Closing balance		<u>747,363,450</u>		<u>747,363,450</u>
(c) Capital Redemption Reserve				
Opening balance		-		-
Add: Additions / transfers during the period		814,625,000		-
Closing balance		<u>814,625,000</u>		<u>-</u>
(d) Surplus / (Deficit) in Statement of Profit and Loss				
Opening balance		(1,096,211,570)		(974,833,355)
Add: Profit / (Loss) for the period		(267,277,143)		(121,378,215)
Closing balance		<u>(1,363,488,713)</u>		<u>(1,096,211,570)</u>
<b>Total</b>		<u>215,199,736</u>		<u>(332,148,120)</u>
<b>Note 5 Long-term borrowings</b>				
(a) Bonds / debentures				
Secured				
Optionally Cumulative Convertible Debentures		575,217,500		575,217,500
		<u>575,217,500</u>		<u>575,217,500</u>
(b) Term loans				
Secured				
Working Capital Term Loan		35,000,000		35,000,000
Unsecured		55,664,955		55,664,955
		<u>90,664,955</u>		<u>90,664,955</u>
(c) Loans and advances from related parties				
Unsecured		406,460,888		165,200,000
<b>Total</b>		<u>1,072,343,343</u>		<u>831,082,455</u>

## Prag Bosimi Synthetics Limited

### Notes forming part of the Consolidated Financial Statements

Particulars	As at 30th September, 2013	As at 31st March, 2012
	₹	₹
<b>Note 6 - Other long-term liabilities</b>		
(a) Trade Payables Creditors & Others Creditors - Non Current	44,840,041	23,842,604
(b) Others		
(i) Advances from customers	1,103,221	908,656
(ii) Others - Duties & Taxes	1,154,661	163,201
(iii) Statutory Dues	812,760	-
(c) Interest accrued but not due on borrowings		
(i) Interest Accrued on WCTL	3,728,219	928,219
(ii) Interest Accrued on 8% Optionally Cumulative Convertible Debentures	47,133,776	1,116,376
<b>Total</b>	<b>98,772,678</b>	<b>26,959,056</b>
<b>Note 7 Long-term provisions</b>		
(a) Provision for employee benefits		
(i) Provision for Salary	5,798,687	4,239,344
(ii) Provision for gratuity	5,958,596	5,683,494
(iii) Provision for other employee benefits - LTA	1,407,515	993,204
(iv) Provision for other defined benefit plans	164,024	164,024
	<b>13,328,821</b>	<b>11,080,066</b>
(b) Provision - Others		
(i) Provision for Profession Tax	1,223,194	797,617
(ii) Provision	242,959	100,950
	<b>1,466,153</b>	<b>898,567</b>
<b>Total</b>	<b>14,794,975</b>	<b>11,978,633</b>
<b>Note 8 Short-term borrowings</b>		
From other parties		
Secured		
Cash Credit Banks	82,501,654	59,524,203
Loan from Financial Institution	262,365,741	370,000,000
<b>Total</b>	<b>344,867,395</b>	<b>429,524,203</b>
<b>Note 9 Trade payables</b>		
Trade payables		
Bills Payables	-	19,298,185
Creditors	364,748,230	10,862,118
<b>Total</b>	<b>364,748,230</b>	<b>30,160,303</b>
<b>Note 10 Other current liabilities</b>		
(a) Interest accrued but not due on borrowings		
Interest Accrued on WCTL	4,203,835	2,800,000
Interest Accrued on 8% Optionally Cumulative Convertible Debentures	69,089,137	46,017,400
(b) Interest accrued and due on borrowings	1,909,932	2,538,082
(c) Statutory Dues	4,698,143	1,537,589
(d) Others Liabilities	249,900	69,279
<b>Total</b>	<b>80,150,947</b>	<b>52,962,350</b>

## Notes forming part of the Consolidate Financial Statements

Particulars	As at 30th September, 2013 ₹	As at 31st March, 2012 ₹
<b>(Note 11 Short-term provisions)</b>		
(a) Provision for employee benefits		
(i) Provision for Salary & others	5,261,739	5,337,703
(ii) Provision for gratuity	1,393,144	1,132,444
(iii) Provision for LTA	385,787	503,107
(iv) Provision for Leave Encashment	3,661,913	2,805,932
	<u>10,702,583</u>	<u>9,779,186</u>
(b) Provision - Others		
(i) Provision for Profession Tax	28,820	125,752
(ii) Provision	2,650,206	155,000
	<u>2,679,026</u>	<u>280,752</u>
<b>Total</b>	<b>13,381,609</b>	<b>10,059,938</b>

## Note 12 Fixed Assets

A. Tangible assets	Gross block			Accumulated depreciation and impairment				Net block	
	Balance as at 31.03.2012	During the year ended 30.09.2013		Balance as at 30.09.2013	Balance as at 31.03.2012	Depreciation/ amortisation expense for the period	Eliminated on disposal of assets	Balance as at 30.09.2013	Balance as at 30.09.2013
		Additions	Disposals						
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land									
Freehold	578,617	-	-	578,617	-			-	578,617
Leasehold	599,678	-	-	599,678	289,980	29,988	-	319,968	279,710
(b) Buildings									
Owned	518,628,613	-	-	5,18,628,613	161,476,129	25,885,248	-	187,361,377	331,267,235
(c) Plant and Equipment									
Owned	2,209,926,217	17,065,747	3,328,288	2,223,663,676	327,428,095	52,584,670	2,908,488	377,104,276	1,846,559,400
(d) Furniture and Fixtures									
Owned	15,477,206	528,182	-	16,005,388	11,369,486	611,262	-	11,980,748	4,024,640
(e) Vehicles									
Owned	2,765,037	1,648,998	1,705,502	2,708,533	1,471,456	261,595	1,483,244	249,807	2,458,726
(f) Office equipment									
Owned	3,926,955	-	-	3,926,955	2,809,649	-	-	2,809,649	1,117,306
<b>Total</b>	<b>2,751,902,322</b>	<b>19,242,927</b>	<b>5,033,790</b>	<b>2,766,111,460</b>	<b>504,844,795</b>	<b>79,372,762</b>	<b>4,391,732</b>	<b>579,825,826</b>	<b>2,186,285,634</b>
<b>Previous Period</b>	<b>2,774,563,974</b>	<b>34,280,992</b>	<b>56,942,644</b>	<b>2,751,902,322</b>	<b>631,464,413</b>	<b>35,362,095</b>	<b>161,981,713</b>	<b>504,844,795</b>	<b>2,247,057,527</b>

Particulars	As At 30th September 2013 ₹	As At 31st March, 2012 ₹
<b>B. Depreciation and amortisation relating to continuing operations:</b>		
Depreciation and amortisation for the period on tangible assets as per Note 12 A	79,372,762	35,362,095
<b>Total</b>	<u>79,372,762</u>	<u>35,362,095</u>
<b>C. Capital Work-in-progress</b>		
(a) Buildings & Civil work under Construction	2,310,588	1,926,523
(b) Plant & Machinery	8,617,102	1,732,564
<b>Total</b>	<u>10,927,690</u>	<u>3,659,087</u>

# Prag Bosimi Synthetics Limited

## Notes forming part of the Consolidated Financial Statements

Particulars	As At 30th September 2013 ₹	As At 31st March, 2012 ₹
<b>Note 14 Long-term loans and advances</b>		
(a) Advance Receivable in Cash In Kind Unsecured, considered good	185,397,932	184,863,417
	<u>185,397,932</u>	<u>184,863,417</u>
(b) Balances with government authorities Unsecured, considered good		
(i) CENVAT credit receivable	1,812,800	824,000
(ii) Service Tax credit receivable	144,876	144,876
	<u>1,957,676</u>	<u>968,876</u>
<b>Total</b>	<u><u>187,355,607</u></u>	<u><u>185,832,293</u></u>
<b>Note 15 Other non-current assets</b>		
(a) Long-term trade receivables Unsecured, considered good - Non current	9,946,740	6,263,354
(b) Security deposits Unsecured, considered good	8,455,946	38,655,459
	<u>18,402,686</u>	<u>44,918,813</u>
(b) Others		
Calls in Arrears	3,126,300	3,126,300
(c) Unamortised expenses Pre-incorporation expenses	378,884	378,884
<b>Total</b>	<u><u>21,907,870</u></u>	<u><u>48,423,997</u></u>
<b>Note 16 Inventories (At lower of cost and net realisable value)</b>		
(a) Raw materials	11,145,971	17,245,267
Goods-in-transit	-	4,476,423
	<u>11,145,971</u>	<u>21,721,690</u>
(b) Work-in-progress	7,792,166	9,355,779
(c) Finished goods	37,638,654	37,475,870
(d) Stores and spares	54,335,243	44,106,000
<b>Total</b>	<u><u>110,912,033</u></u>	<u><u>112,659,339</u></u>
<b>Note 17 Trade receivables</b>		
Trade receivables Unsecured, considered good	420,369,608	3,805,409
<b>Total</b>	<u><u>420,369,608</u></u>	<u><u>3,805,409</u></u>
<b>Note 18 Cash and cash equivalents</b>		
(a) Cash in hand	70,467	116,796
(b) Balances with banks		
(i) In current accounts	1,721,672	2,975,054
(ii) In deposit accounts	1,303,959	1,303,959
<b>Total</b>	<u><u>3,096,097</u></u>	<u><u>4,395,809</u></u>

## Notes forming part of the Consolidated Financial Statement

Particulars	As At 30th September 2013 ₹	As At 31st March, 2012 ₹
<b>Note 19 Short-term loans and advances</b>		
(a) Security deposits		
Unsecured, considered good	-	4,868,661
	-	4,868,661
(b) Loans and advances to employees		
Unsecured, considered good - Current	326,082	657,999
	<u>326,082</u>	<u>657,999</u>
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	2,461,159	5,327,038
(ii) VAT credit receivable	667,092	16,982
(iii) Service Tax credit receivable	2,600,732	1,343,344
(iv) Entry Tax	376,000	376,000
(v) T.D.S.	802,909	609,933
	<u>6,907,893</u>	<u>7,673,297</u>
<b>Total</b>	<u><u>7,233,975</u></u>	<u><u>13,199,957</u></u>
Particulars	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹
<b>Note 20 Revenue from operations</b>		
(a) Sale	997,462,309	911,008
(b) Other operating revenues		
(i) Sale of scraps	3,214,029	1,812,447
(ii) Others	339,597	2,855,508
<b>Total</b>	<u><u>1,001,015,935</u></u>	<u><u>5,578,963</u></u>
<b>Note 21 Other income</b>		
(i) Interest income comprises		
Interest on loans and advances	4,562,237	4,719,870
Other balances	268,903	24,376
<b>Total - Interest income</b>	<u>4,831,140</u>	<u>4,744,246</u>
Rental income from Machine	-	5,000
Miscellaneous income net of expenses directly attributable	-	122,453
Sundry Creditors Witten off	-	11,603
<b>Total - Other non-operating income</b>	<u>-</u>	<u>139,056</u>
(ii) Details of Prior period items		
Prior period income		
Settlement of Statutory Dues	83,026	257,083
Provision witten off	-	1,500,185
Settlement of Dues	-	9,387,410
Prior period expenses		
ASEB Claims	-	5,908,786
TDS interest	-	367,400
Service Tax Claim	-	695,654
Vendors Claim	587,979	1,531,107
Short Provision of Employee	-	112,576
	<u>(504,953)</u>	<u>2,529,155</u>
<b>Total</b>	<u><u>4,326,187</u></u>	<u><u>7,412,457</u></u>

## Prag Bosimi Synthetics Limited

### Notes forming part of the Consolidated Financial Statements

Particulars	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹
<b>Note 22.a Cost of materials consumed</b>		
Opening stock	21,721,690	4,681,879
Add: Purchases	45,163,511	43,249,086
Add: Transfer from Finish Goods	6,559,000	4,267,960
	<u>73,444,201</u>	<u>52,198,925</u>
Less: Closing stock	17,834,001	21,721,690
Cost of material consumed	<u>55,610,200</u>	<u>30,477,235</u>
Trading Material	811,645,414	-
Less : Abnormal Loss in Production	-	139,456
<b>Total</b>	<u><u>867,255,614</u></u>	<u><u>30,337,779</u></u>
<b>Note 22.b Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Finished goods	37,638,654	37,408,287
Work-in-progress	7,792,166	9,355,779
	<u>45,430,820</u>	<u>46,764,066</u>
Inventories at the beginning of the year:		
Finished goods	37,408,287	6,441,009
Work-in-progress	9,355,779	(4,267,960)
	<u>46,764,066</u>	<u>2,173,049</u>
Net (increase) / decrease	<u><u>1,333,246</u></u>	<u><u>(44,591,017)</u></u>
<b>Note 23 Employee benefits expense</b>		
Salaries and wages	54,383,922	36,181,505
Contributions to provident and other funds	2,367,476	1,394,468
Staff welfare expenses	1,803,088	1,631,608
<b>Total</b>	<u><u>58,554,486</u></u>	<u><u>39,207,581</u></u>
<b>Note 24 Finance costs</b>		
Interest on borrowing from :		
Banks, Financial Institution, OCCD and others	187,074,130	137,299,576
Upfront Fees to Bank	500,000	-
<b>Total</b>	<u><u>187,574,130</u></u>	<u><u>137,299,576</u></u>



## Notes forming part of the Consolidated Financial Statements

Particulars	For the eighteen months period ended 30th September, 2013 ₹	For the eighteen months period ended 31st March, 2012 ₹
<b>Note 25 Other expenses</b>		
Power and fuel	34,707,338	2,400,839
Rent including lease rentals	6,267,120	6,134,926
Repairs and maintenance - Buildings	79,546	47,450
Repairs and maintenance - Machinery	910,008	221,267
Repairs and maintenance - Others	693,519	858,993
Insurance	3,029,194	1,481,164
Rates and taxes	302,772	26,017
Communication	1,808,639	2,381,904
Travelling and conveyance	2,472,050	2,350,680
Printing and stationery	668,839	860,399
Freight and forwarding	5,468,561	2,578,322
Business promotion	3,225	336,397
Donations and contributions	60,022	20,200
Legal and professional	6,337,491	5,031,643
Auditors' Remuneration (See footnote below)	324,761	155,000
Loss on fixed assets sold / scrapped	419,558	10,220,944
Abnormal Loss on Production	-	139,456
Trial Run Expenses	-	2,883,000
Miscellaneous expenses	14,976,384	15,154,227
<b>Total</b>	<b>78,529,026</b>	<b>53,282,828</b>
Footnote :		
Details of Auditors' Remuneration:		
Audit Fees	232,500	105,000
Taxation matters	67,261	25,000
Other services	25,000	25,000
<b>Total</b>	<b>324,761</b>	<b>155,000</b>
<b>Note 26 Exceptional items</b>		
Write back of Provision for Depreciation	-	116,529,208
<b>Total</b>	<b>-</b>	<b>116,529,208</b>

## Prag Bosimi Synthetics Limited

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPTEMBER, 2013

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### (A) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements (CFS) relates to parent company Prag Bosimi Synthetics Limited (PBSL) and its subsidiary companies (collectively referred to as the "Group").

The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.

##### Principles of Consolidation :

The CFS are prepared, as far as possible using uniform significant accounting policies for the transactions and other events in similar circumstances and are presented in the same manner as PBSL's separate financial statements. The Financial statements of PBSL and its subsidiaries have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, the intra group balance and intra group transactions and unrealized profits or losses resulting from intra group transactions are fully eliminated.

##### Companies included in Consolidation :

The CFS comprises the audited financial statements (except as mentioned otherwise) of PBSL and its subsidiaries for the period ended 30th September, 2013, which are as under:

Name of the Company	Country of Incorporation	PBSL's Ownership Interest	
		30.09.2013	31.03.2012
Prag Jyoti Textile Park Pvt. Ltd.	India	100%	100%
Prag Bosimi Texturising Pvt. Ltd.	India	100%	100%
Prag Bosimi Packaging Pvt. Ltd.	India	100%	100%

##### (B) SIGNIFICANT ACCOUNTING POLICIES:

The Company follows the accrual system of accounting and recognizes income and expenditure on accrual basis.

Accounting policies not referred to otherwise are consistent with the Generally Accepted Accounting Principles.

##### (i) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction and includes amounts added/reduced on revaluation less accumulated depreciation. Impairment losses have been accounted as per the mandatory Accounting Standards issued by The Institute of Chartered Accountants of India as applicable and the relevant provisions of The Companies Act, 1956.

Borrowing costs for acquisition or construction of a qualifying asset and revenue expenses incurred (including expenses on test runs and experimental production) for the period prior to the commencement of commercial production are capitalized proportionately as part of the asset cost in respect of machineries put to use.

##### (ii) Depreciation:

- Depreciation on fixed assets other than lease-hold land is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- Depreciation on additions/deductions during the year has been provided on pro-rata basis with reference to the month of addition/deduction.

##### (iii) Expenditure during construction period :

As per the consistent accounting policy all expenditure related to the project construction/implementation and income arising out of project activities and funds related to the project are capitalized and allocated to the respective fixed assets.

##### (iv) Investments:

Long-term investments are valued at cost subject to reduction made for diminution in value that is other than temporary in nature.

**(v) Inventories:**

In accordance with the revised Accounting Standard (AS-2), Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any.

- (a) Raw materials, stores, spares, consumables and construction materials: At lower of cost or net realizable value
- (b) Materials in process: At lower of cost or net realizable value.
- (c) Finished Goods: At lower of cost or net realizable value.

**(vi) Retirement Benefits:**

- (a) Defined Contribution Plan

The Company's liability towards Employee's Provident Fund scheme administered by the Employees Provident Fund Scheme, Govt. of India is considered as Defined Contribution Plan. The Company's contributions paid towards these defined contribution plans is recognized as expense in the Profit and Loss Account during the period in which the employees rendered the related service.

- (b) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment if any are considered as Defined Benefit Plans. The present value of the obligations towards gratuity is determined based on actuarial valuation using the projected unit credit method. As regards the Leave encashment, it is calculated on the actual balance leave of each employee on the year-end. This is done on the same basis as in the last accounting period.

**(vii) Transactions of foreign currency items:**

Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction. Foreign currency assets and other liabilities other

than for financing fixed assets are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognized in the capital work in progress. Foreign currency loans for financing fixed assets (other than those where the company is protected against exchange fluctuations) are accounted for at the rate of exchange prevailing at the period ended and the resultant exchange difference is adjusted to the cost of assets.

**(viii) Government Grants:**

- (a) Revenue grants are recognized in the Profit & Loss account.
- (b) Capital Grants relating to specific fixed assets are shown under capital reserve.

**(ix) Taxes on Income:**

No provision for taxation is made as the profits and gains of units set up in North Eastern State are tax free under the Income Tax Act 1961 and the company has also incurred losses during the period.

No provision for deferred taxation is made in accounts as the company has been incurring losses year after year and Company's business income is also exempt u/s 80IC of Income Tax Act, 1961.

**(x) Provisions:**

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

**(xi) There were no events occurring after the Balance Sheet date which are reportable.**

**(xii) Revenue Recognition:**

- (a) Sales are recognized on dispatch to customers and are net of returns, discounts and sales tax.
- (b) Other Income and Expenditure are recognized and accounted on accrual basis.

## Prag Bosimi Synthetics Limited

### 2. NOTES TO ACCOUNTS

(i) Contingent liabilities not provided for:

Sr. No.	Particulars	As At	As At
		30.09.2013	31.03.2013
		₹	₹
i.	Counter Guarantees for Sales tax	5,000	5,000
ii.	Dividend payable on Cumulative Convertible Preference Shares (Refer Note (ii) below)	-	-
iii.	Claims against the Group not acknowledged as debts	64,243,000	61,400,000
iv.	Letter of undertaking executed in favour of Joint Director General of foreign trade under Duty Exemption Entitlement Scheme (Advance License Scheme) for custom duty	13,040,682	13,040,682
v.	Letters of credit and Bank Guarantees given by bankers on behalf of the Company.	5,250,000	5,250,000

(ii) The Cumulative Convertible Preference Shares (CCPS) and Redeemable Convertible Cumulative Preference Shares (RCCPS) were also part of approved Corporate Debt Restructuring Scheme. In terms of Corporate Debt Restructuring Scheme, these CCPS and RCCPS have to be cancelled from the books of accounts. However such cancellation has the effect of reduction in capital as per the provisions of The Companies Act, 1956 which requires prior approval of High Court. The proposal was formally approved by the shareholders. Subsequently, approval of Guwahati High Court was received vide order dated 21<sup>st</sup> December, 2012. Therefore, CCPS of ₹ 10,00,00,000/- (1,00,000 shares of ₹ 100/- each) & RCCPS of ₹ 71,46,25,000/- (71,46,250 shares of ₹ 100/- each) both totaling ₹ 81,46,25,000/- were cancelled on 16<sup>th</sup> February, 2013 from the accounts.

(iii) The board is contemplating taking steps for recovering the calls-in-arrears from defaulting applicants, including forfeiture of the shares as a last resort after exhausting all other avenues for recovery in a spirit of maintaining shareholder friendly environment. The Board therefore considers it prudent not to provide for the interest on calls-in-arrears.

(iv) Estimated amount of contracts remaining to be executed on capital account net of advances is ₹ Nil (Previous Period ₹ Nil)

(v) Loans and Advances include ₹ 77,28,700/- (Previous Period ₹ 3,83,27,274/-) overdue from various parties on account of accommodation deposits, security deposits, advances given to suppliers, ex-employees, etc. Compensation for delayed payment, if any, will be accounted in the books of account, if and when realized. No provision is made since the Company has recovered part of the amount and is hopeful of recovering the balance amount.

(vi) There is no amount overdue and remaining unpaid to small scale/or ancillary Industrial Suppliers on principal and/or interest as at the close of the period.

(vii) Previous period's figures have been regrouped/ reclassified/ rearranged wherever necessary.

(viii) In the opinion of the Board of Directors, in the ordinary course of business the value on realization of current assets, loans and advances, including security deposits are at least equal to the amount at which they are stated in the Balance Sheet.

(ix) Amounts appearing in Trade Receivables & Payables are realized and paid as on date of signing. Balances of Banks, Sundry Debtors, Sundry Creditors, Loans & Advance, and Deposits are subject to confirmation.

(x) Profit and Loss Account of the current period includes following remuneration paid/credited/ accrued to managerial personnel.

	Current Period	Previous Period
	₹	₹
Salary	29,70,000	29,70,000
House Rent Allowance	3,37,500	3,37,500
Other Allowances	5,65,345	2,47,614
Total	38,72,845	35,55,114

(xi) The AS-17 "Segment Reporting" is not applicable as the Company has operated only in one segment i.e. Manufacturing of Yarn.

(xii) AS-18 Related Party Information:

Pursuant to AS-18 information on remuneration paid to Key Management Personnel is given in the report on Corporate Governance under the heading "Remuneration to Directors" for Shri. Hemant B.Vyas - Managing Director and Shri S. K. Saha - Finance Director.

Loans from Related Parties:

Particulars	Relationship	Amount
Hemant B. Vyas	Promoter	14,42,69,183
Nandraj Developers Pvt. Ltd.	Shareholder	3,00,00,000
Prag Jyoti Textile Park Pvt. Ltd.	Wholly owned Subsidiary	8,09,462
Bosimi Exports (India) Ltd.	Common Director	2,02,91,705
Akhilesh Mercantile Pvt. Ltd.	Common Director	20,00,000
Ayodhya Vintrade Pvt. Ltd.	Common Director	11,74,50,000
Karmaland Infrastructure & Development Pvt. Ltd.	Common Director	2,00,00,000
Sambhav Commodities Pvt. Ltd.	Common Director	2,53,50,000
Kasturi Barter Pvt. Ltd.	Common Director	4,71,00,000

Advances to Related Parties:

Particulars	Relationship	Amount
Prag Bosimi Texturising Pvt. Ltd.	Wholly owned Subsidiary	40,538
Prag Bosimi Packaging Pvt. Ltd	Wholly owned Subsidiary	4,58,438

(xiii) Additional information as far as applicable pursuant to the provision of paragraph 3, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956 is as per Annexure I.

(xiv) Additional information pursuant to part IV of the Schedule VI of the Companies Act, 1956 is as per Annexure II.

(xv) Earnings per Share

Earnings per Share	<b>30.09.2013</b>	31.03.2012
Net profit /(loss) as per P/L Account (₹)	<b>(26,71,22,476)</b>	(12,13,78,215)
Weighted average number of equity shares outstanding (Numbers)	<b>7,43,82,960</b>	7,43,82,960
Basic and diluted earnings per share (Face value ₹ 10/-per Share)	<b>(3.59)</b>	(1.63)

In terms of our report attached.

**For Bharat Shroff & Co**  
Chartered Accountants  
(Firm Regn.No.131026W)

**For AMD & Associates**  
Chartered Accountants  
(Firm Regn.No.318191E)

**For and on behalf of the Board of Directors**

**H.K.Sharma** Chairman  
**Hemant B. Vyas** Managing Director  
**S.K.Saha** Finance Director  
**M.K.Das** Director  
**Girindra Mohan Das** Director

**Bharat B. Shroff**  
Proprietor (M.No. 014822)

**Debashish Bordoloi**  
Partner (M.No. 068018)

Place : Guwahati  
Date : 09.12.2013

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**Prag Bosimi Synthetics Limited**

**Regd. Office :** House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati 781 024 Assam.

**ATTENDANCE SLIP**

Name and Address of the Member / Proxy

Regd. Folio No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

D.P. I.D. No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I hereby record my presence at the Twenty Second Annual General Meeting of the Company to be held on Thursday the 9th day of January 2014, at 4.30 p.m. at House No.4, Nilgiri Path, R.G. Barua Road, Near Doordarshan, Guwahati 781024.

Member's/Proxy's Signature \_\_\_\_\_

Please fill in the attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slip on request. Please bring your copy of the Annual Report for reference at the Meeting.

**Prag Bosimi Synthetics Limited**

**Regd. Office :** House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati 781 024 Assam.

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a

member/members of Prag Bosimi Synthetics Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held on Thursday the 9th day of January 2014, at 4.30 p.m. at House No.4, Nilgiri Path, R.G. Barua Road, Near Doordarshan, Guwahati 781 024.

Signed this \_\_\_\_\_ day on \_\_\_\_\_ 2014.

Signature \_\_\_\_\_

Note : This form duly completed and signed must be deposited at the Registered or Corporate Office of the Company not less than 48 hours before the meeting.

Affix  
Rs. 1/-  
Revenue  
Stamp

**BOOK POST**

If undelivered, please return to :-

**Prag Bosimi Synthetics Limited**

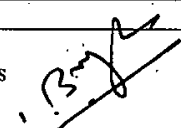
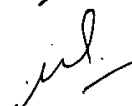
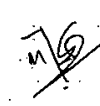
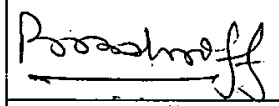
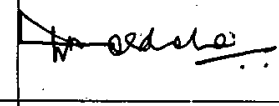
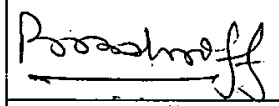
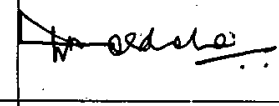
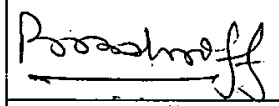
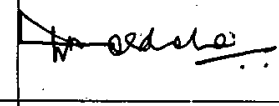
R-79/83, Laxmi Insurance Building,

5th Floor, Sir P. M. Road,

Mumbai 400 001.



**FORM A**  
(Pursuant to clause 31 (a) of the Listing Agreement)

1.	Name of the Company	Prag Bosimi Synthetics Limited							
2.	Annual Financial Statement for eighteen months ended	30 <sup>th</sup> September, 2013 (Standalone & Consolidated)							
3.	Type of Audit Observation	<p>Matter of Emphasis</p> <p>We draw attention to:</p> <p>point (ix) of Audit Report in respect of the Professional Tax deducted from Employees Salary at the factory in Guwahati, remaining unpaid.</p> <p>Employess Contribution to Provident Fund at the factory in Guwahati have not been paid in time.</p>							
4.	Frequency of Observation	Second Year							
5.	To be signed by-								
	• Managing Director	Mr. Hemant B.Vyas 							
	• Whole time cum Finance Director	Mr. S.K.Saha 							
	• Audit Committee Chairman	Mr. M.K.Das 							
	• Auditors of the Company	<table border="1"> <tr> <td>Bharat Shroff &amp; Co. (Firm Regn.No.131026W)</td> <td>AMD &amp; Associates (Firm Regn.No.318191E)</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Bharat B. Shroff Proprietor(M.No. 014822)</td> <td>Debashish Bordoloi Partner (M.No. 068018)</td> </tr> </table>		Bharat Shroff & Co. (Firm Regn.No.131026W)	AMD & Associates (Firm Regn.No.318191E)			Bharat B. Shroff Proprietor(M.No. 014822)	Debashish Bordoloi Partner (M.No. 068018)
Bharat Shroff & Co. (Firm Regn.No.131026W)	AMD & Associates (Firm Regn.No.318191E)								
									
Bharat B. Shroff Proprietor(M.No. 014822)	Debashish Bordoloi Partner (M.No. 068018)								