



**PRAG BOSIMI SYNTHETICS LIMITED**

**26th Annual Report  
2017 - 2018**

# Prag Bosimi Synthetics Limited

## BOARD OF DIRECTORS

**Shri. Krishna Kumar Dwivedi, IAS**  
Chairman & Nominee AIDC

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

**Shri. Devang H. Vyas**  
(Non-Executive Director)

**Shri. Prasanta Bora**  
(Nominee, AIDC )

## INDEPENDENT DIRECTORS

**Shri. Girindra Mohan Das**

**Shri. Rohit P. Doshi**

**Shri Mukund Trivedi**

**Smt. Deepali Pathak**

## CHIEF EXECUTIVE OFFICER

**Shri. Ramesh Pokhriyal**

## CHIEF FINANCIAL OFFICER

**Shri. Raktim Das**

## COMPANY SECRETARY

**Ms. Madhu Dharewa**

## AUDITORS

M/s M. H. Dalal & Associates,  
Chartered Accountants  
Mumbai

M/s A M D & Associates  
Chartered Accountants  
Guwahati

## BANKERS

Dena Bank

IndusInd Bank Ltd.

IDBI Bank

HDFC Bank Ltd.

The Vysya Bank Ltd.

## REGISTERED OFFICE

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

Website : www.pragbosimi.co.in

Email : secretarial@bosimi.com

CIN : L17124AS1987PLC002758

## PLANT

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

## CORPORATE OFFICE

R-79/83, Laxmi Insurance Building,  
5th Floor, Sir P. M. Road, Mumbai-400 001

## REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited  
Unit- 1, Luthra Ind Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (East), Mumbai-400 072.

## SUBSIDIARIES

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

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

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## NOTICE

Notice is hereby given that the 26th Annual General Meeting of Prag Bosimi Synthetics Limited will be held on Monday, 24th September, 2018 at 11.30 A.M. at House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati-781024, Assam to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Profit and Loss Account for the period ended 31st March, 2018 and Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
- To appoint Director in place of Mr. Devang Vyas (DIN: 00076459), who retires by rotation and being eligible offers himself for re-appointment.
- To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company hereby ratifies the appointment of M/s. M. H. Dalal & Associates, Chartered Accountants Registration Number 109049/112449W and M/s. A M D & Associates, Chartered Accountants (Registration No. 318191E) as the Joint Auditors of the Company, to hold office from the conclusion of this Meeting till the conclusion of next Annual General Meeting on such remuneration plus applicable taxes and out of pocket expenses, as may be mutually agreed upon by the Board of Directors and Statutory Auditors;

### SPECIAL BUSINESS

- Alteration of the object clause of the Memorandum of Association of the Company**

To consider the matter, and if thought fit, to pass the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”) including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested or directed by any such appropriate authorities, and agreed to by the Board of Directors of the Company the Memorandum of Association of the Company be and is hereby altered by inserting the following in IIIB as point no. 59:

**59. To construct, develop, reconstruct, provide space on rental, lease, long lease or outright sale basis to any other entities for logistic, Storage, Cold Storage, warehousing or other similar purposes and to make,**

**erect, assemble, maintain, construct, alter, take on hire, or lease, or otherwise acquire containers, packaging materials, machine, equipment, and other apparatus and conveniences which may seem calculated directly or indirectly to promote the business of the Company either directly or in collaboration with any other individuals, firms, bodies corporate in India.**

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board (including its Committee(s) thereof and/or any Director or any individual delegated with powers necessary for the purpose) be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given all necessary approval thereto expressly by the authority of this resolution.”

- Change of Registrar and Share Transfer Agent of the Company.**

**“RESOLVED THAT** pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, approval of the members be and is hereby accorded to keep the Register of Members, Index of Members and other such Registers as may be required to be maintained under Section 88 of the Companies Act, 2013, be kept at the office of the Registrar and Transfer Agent (RTA) of the Company viz. M/s Sharex Dynamic (India) Pvt. Ltd, Unit no. 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400072 or with some other RTA, as appointed from time to time and at such other office or place within or Mumbai, where such RTA may shift or exists, from time to time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

### NOTES:

- The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy, in order to be effective, must be received at the Company’s Registered Office not less than forty-eight hours before the Meeting.

Pursuant to Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.

## Prag Bosimi Synthetics Limited

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3. The Register of Members and the Share Transfer Books of the Company will be closed from 17<sup>th</sup> September, 2018 to 24<sup>th</sup> September, 2018 (both days inclusive).
  4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
  5. A brief resume of each of the Directors proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards-2 on General Meetings, are provided separately to the notice.
  6. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id secretarial@bosimi.com for quick and prompt redressal of their grievances.
  7. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
  8. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
  9. Members are requested to intimate change in their address immediately to M/s Sharex Dynamic (India) Pvt. Limited, the Company's Registrar and Share Transfer Agents, at their office at No. Unit – 1 , Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E) Mumbai – 400072.
  10. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by appropriate authorities to the Annual General Meeting.
  11. 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.
  12. 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.
  13. 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.
  14. 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.
  15. Members/ Proxies attending the meeting are requested to bring their Attendance Slip, sent herewith, duly filled in.
  16. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company a certified copy of relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
  17. Shareholders 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. Members who hold shares in physical form are requested to register their e-mail addresses by sending an e-mail at bosimigogreen@sharexindia.com.
  18. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  19. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  20. The members who have cast their vote by remote e-voting prior to the AGM)/ EGM/ EOGM may also attend the AGM) but shall not be entitled to cast their vote again.
- The details for voting electronically are as under -
- 1) Date and time of commencement of voting through electronic means: Friday 21<sup>st</sup> September, 2018 (9:00 am)
  - 2) Date and time of end of voting through electronic means beyond which voting will not be allowed : Sunday, September 23, 2018 at 5.00 p. m.
  - 3) During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
  - 4) Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- 5) Details of Scrutinizer: Amit Mundra, Practicing Company Secretary (FCS No. 7933), Proprietor of M/s. Amit Mundra & Associates, Mumbai. E-mail: amitmundra.cs@gmail.com

**21. The instructions for shareholders voting electronically are as under:**

- 1) The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :

- a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
- b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
- c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).

5. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated

to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@gmail.com](mailto:scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM) [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM):  
EVEN (Remote e-voting Event Number)  
USER ID                      PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
22. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).  
It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
23. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
24. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17<sup>th</sup> Sept, 2018.
25. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17<sup>th</sup> Sept, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
26. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
27. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
28. Mr.Amit Mundra, Company Secretary (Membership No. F7933) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
29. The Chairman shall, at the AGM), at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM) but have not cast their votes by availing the remote e-voting facility.
30. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
31. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.pragbosimi.co.in](http://www.pragbosimi.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
32. A route map showing directions to reach the venue of the 26th Annual General Meeting is given at the end of the Report.
- Details of Directors seeking appointment or reappointment in the Annual General Meeting fixed on Monday, **24<sup>th</sup> September, 2018 (In pursuance to Clause 49 to the Listing Agreement)**

Name of the Director	Shri Devang H. Vyas
Date of Birth	12th May, 1969
Date of appointment	15th May, 2014
Qualification	B. Chem Engineer, MIE, M.B.A.
Expertise in specific functional area	Management, Administration and Finance
List of Outside Directorships held	1
Chairman or members of the Committee of the Board of Directors of other Companies*	Nil

\***Note:** Excludes Chairmanship/Directorship in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and excludes Committees formed by such Companies.

## Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### Item No. 4.

#### Explanatory note:

The company wants to utilize its land / buildings for a logistic park/s which will add to the income of company. Since North Eastern states are the focus area for industrial development as per the policy of Central Govt, the need of the logistic park will always be on rise and the company can take advantage of this business opportunity. The Board of Directors at their meeting held on 14th August, 2018 had approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company as aforesaid. In terms of Section 4 and 13 of the Act, the consent of the Members by way of Special Resolution is required for change in objects clause of the Memorandum of Association of the Company. The Board recommends for approval by the members the resolution as set out at Item No. 4 of the Notice as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions, as set out at Item No. 4 of the Notice.

Your directors recommend passing of this Special Resolutions in the interest of the Company.

### Item No. 5

As required under the provisions of Section 94 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2013, there under certain documents such

as the Register of Members, Index thereof and certain other registers, certificates, documents etc. as provided under Section 88 of the Companies Act, 2013 are required to be kept at the registered office of the Company. However, these documents can be kept at any other place in India, in which more than one-tenth of the total number of members resides, with the approval of the members by way of Special Resolution.

Currently, the Register/Index of Members etc. is being maintained at the office of its Registrar and Share Transfer Agents (RTA) Sharex Dynamic (India) Pvt Limited, (SHAREX) having its office at Unit no. 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400072.

It is therefore proposed to change the place of keeping / maintaining the aforesaid Registers from the office of SHAREX to the office of said Registrar and Transfer Agent.

Further, the Company may decide to change its RTA in future and in that case the Company is being empowered to change the place of keeping / maintaining the aforesaid Registers into the office of such newly appointed Registrar and Transfer Agent; as and when such new RTA is being appointed.

A copy of the proposed resolution will be forwarded to the Registrar of Companies, Guwahati, Assam, as required under the said Section 94(1) of the Companies Act, 2013 and Rule 15 of The Companies (Management and Administration) Rules, 2013.

Accordingly, the Board of Directors recommend passing of the Special Resolutions as set out in this Notice at Item No. 5.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, inimically or otherwise in aforesaid resolution.

**By order of the Board of Directors**

Date: 14th August, 2018

Place: Mumbai

**Hemant B. Vyas**

Managing Director

DIN No. 00076289

# Prag Bosimi Synthetics Limited

## DIRECTORS' REPORT

To,  
The Members,  
Prag Bosimi Synthetics Limited (PBSL).

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report together with audited accounts of the Company for the 12 months period ended on 31st March, 2018.

### SUMMARISED FINANCIAL RESULTS:

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

Particulars	(Rupees in Lakhs)	
	12 month ended 31st March, 2018	12 months ended 31st March, 2017
Gross Turnover	2320.36	248.70
Turnover net of Excise duty	2318.73	242.94
Profit / (Loss) before Depreciation, Interest and Taxation	(1185.24)	(243.24)
(Add)/ Less: Interest	585.78	615.37
(Add)/ Less: Depreciation	355.20	985.36
Profit / (Loss) for the year	(2126.21)	(1843.97)
Add/ (Less) Loss brought forward from the previous period	(20210.73)	(18366.76)
Total Loss carried forward to next period/ year	(22336.94)	(20210.73)

### COMPANY ACTIVITIES

In terms of the revival proposal of the company by the Govt of Assam as reported earlier, new machineries of 22 Cr has been instigated and commissioned.

The company has started commercial production, selling its products in west Bengal and within the Assam.

As the company was off production for years i.e from 2012-13 to 2016-17, the equipments being modern and value added the work force has to be trained to get acquainted to operate these new machines, added to it since the company was out of market for years to get reestablished is also a factor for low utilization of the capacities which resulted in non attaining of breakeven point

Our constant marketing efforts and acceptance of our products by the market are encouraging and we expect company to improve its performance in future

The company has also applied for capital subsidy to appropriate authorities and it is expected to receive a subsidy equivalent to approximately 7 Cr.

The above investment was possible because of support of Govt of Assam.

### ONE TIME SETTLEMENT WITH BANKS AND FINANCIAL INSTITUTIONS

Further to our earlier reporting we would like to inform that 95.71% of the OCCDs has been settled and balance 4.29% is expected to be settled shortly.

### DIVIDEND:

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

### TRANSFER TO RESERVES

In view of loss incurred during the period under review, the Board of Directors has not recommended transfer of any amount to reserves.

### SHARE CAPITAL:

There is no change in the Share Capital of the Company during the year under review.

### CHANGE IN NATURE OF BUSINESS, IF ANY.

There are no changes in the nature of business in the financial year 2017-18.

### FINANCE AND ACCOUNTS

Your Company prepares its financial statements in compliance with the requirements the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on the new accounting Principle i.e INDS. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits/(loss) and cash flows for the year ended 31<sup>st</sup> March 2018.

The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

There is no audit qualification in the standalone and consolidated financial statements by the statutory auditors for the year under review.

### LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### SUBSIDIARIES & ASSOCIATES:

The Company has 2 subsidiary companies and One Associate company; the consolidated accounts of these Subsidiary Companies are annexed to this report along with the statement pursuant to the Companies Act, 2013.

Our associate Prag Jyoti Textile Park Pvt Ltd has been duly approved by MOT (Govt of India) during Sept 2014. Till date ₹ 12.00 crores (₹ 10.00 crores from Central Government and ₹ 2.00 crores from Promoters) have been spent towards Infrastructure Development i.e. construction of Factory building/Road/Gate/Boundary wall/Drainage/Electrification etc.

The Textile Park shall be operational by 2019/2020.

Our subsidiaries namely Prag Bosimi Texturing Private Limited and Prag Bosimi Packaging Private Limited will also commence commercial operations shortly.

### CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

There are no transactions/contracts/arrangements entered by the



Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review.

#### MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34(3) of the Listing Regulations, 2015 is provided in a separate section and forms part of the Directors' Report. It gives a reflection of the current state of business. It also deals with opportunities, challenges and the outlook of the Company.

#### DIRECTORS AND KEY MANAGERIAL PERSONS:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Devang Vyas (DIN 00086459) retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers herself for the re-appointment. The Board recommends his re-appointment.

#### DETAILS OF DIRECTORS / KMP APPOINTED AND RESIGNED DURING THE YEAR

Sr. No.	Name Designation	Date of Appointment	Date of Resignation
1	Hemang K. Sharma, Chairman & Nominee Director		14.02.2018
2.	M. K. Das, Nominee Director		14.02.2018
3.	Vinod Sesan, Chairman & Nominee Director	14.02.2018	
4.	Prasanta Bora, Nominee Director	14.02.2018	

#### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Board has carried out an annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of the Board.

At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed in detail. A structured questionnaire each in line with circular issued by SEBI, for evaluation of the Board, its various Committees and individual Directors, was prepared and recommended to the Board by the Nomination & Remuneration Committee, for doing the required evaluation, after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and

contribution, independence of judgment, safeguarding the interest of the Company and its minority Shareholders, etc. The performance evaluation of the independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

#### BOARD MEETINGS:

The details of the Board Meetings and other Committee Meetings held during the financial year 2017-18 are given in the separate section of Corporate Governance Report.

#### BOARD COMMITTEES

All Committees of the Board of Directors are constituted in line with the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis- à-vis the Company.

#### PUBLIC DEPOSITS:

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

#### DEPRECIATION ON PLANT & MACHINERY

Depreciation is systematically allocated over the useful life of an asset as specified in part C of schedule II of Companies Act, 2013.

#### MATERIAL CHANGES AND COMMITMENTS

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial period of the Company and date of this report.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors of your Company confirm that:

- in the preparation of the accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors 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 as at 31st March, 2018 and of the loss of the Company for that period;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the accounts of the Company have been prepared on a going concern basis;

- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the committee is as under:

1. Mr.G. M. Das, Chairman, Independent Director
2. Mr. Prasanta Bora Director and
3. Mr. Rohit Doshi Independent Director.

The Board has in accordance with the provisions of sub- section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria defined in the policy framed for appointment of and payment of remuneration to the Directors of the Company, are as under:

Minimum Qualification

Positive Attributes Independence Experience

### **RISK MANAGEMENT POLICY:**

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/ strategic business plans and in periodic management reviews.

However, provision of Regulation 21 of Listing Regulations for constitution of Risk Management Committee is not applicable to the Company.

### **VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc. The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is

committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

### **DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

The Company had received an order from Company Law board Kolkata Bench on 27<sup>th</sup> May 2016 for transferring of 3000000 preference shares in the name of 3A capital services Limited against which we have filed the appeal in Bombay High Court as Appeal no. 1839/2018 on 1<sup>st</sup> August 2018. These Preference Shares have already been cancelled in accordance with the order (dated 21.12.2012) of the honourable High Court at Guwahati.

### **CORPORATE GOVERNANCE:**

Your Company affirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in Regulation 27(2) of the Listing Agreement with Stock Exchanges. A separate section on compliance of Corporate Governance and a Certificate from the Auditor's firm and practising Company Secretary dated 30-05-2018 in this regard are annexed hereto and forms a part of the Report.

### **DISCLOSURE OF INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the period under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure I which forms part of this Report..

### **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE:**

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

### **EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial period ended 31st March 2018 made under the provisions of Section 92(3) of the Act is attached as Annexure II which forms part of this Report.

### **ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

Attendance at the meetings, Participation and contribution, Responsibility towards stakeholders, Contribution in Strategic Planning, Compliance and Governance, Participation, Performance Evaluation and Updation of Knowledge are the

criteria's for Performance Evaluation of Directors, Committee and Board.

**DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial period under review has been marked as Annexure III.

**PARTICULARS OF EMPLOYEES:**

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure-V' and forms a part of this Report. The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2018 is given in a separate Annexure to this Report. The said Annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 120th Annual General Meeting and up to the date of the said Annual General Meeting during the business hours on working days. None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the Company.

**OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2018:**

The observations made by the Statutory Auditors in their report for the financial period ended 31st March 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**SECRETARIAL AUDIT REPORT FOR THE PERIOD ENDED 31ST MARCH 2018:**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary Mr. Amit Mundra & Associates, Practicing Company Secretary had been appointed to issue Secretarial Audit Report for the period 17-18.

Due to sad dismissal of Mr. Rakesh Kapur the Secretarial Audit Report is issued by Mr. Amit Mundra, Company Secretary in Form MR-3 for the financial year 2017-18 forms part to this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**INTERNAL CONTROL SYSTEMS:**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its

operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**AUDITORS:**

M/s M. H Dalal & Associates, Chartered Accountants, Mumbai; and M/s. A M D & Associates, Chartered Accountants, Guwahati Auditors of the Company will be ratified at the AGM

**CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY:**

The provision of the Section 135 and Schedule VII of the Companies Act, 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 effective from April 1, 2014 relating to CSR Initiatives are not applicable to the Company.

**SECRETARIAL AUDITOR:**

Amit Mundra & Associates, Company Secretary, Mumbai, is appointed as Secretarial Auditor of the Company.

**INTERNAL AUDITOR:**

M/s. Dhawan Pandey & Associates, Chartered Accountants, are appointed as Internal 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.

**INDIAN ACCOUNTING STANDARDS (IND AS) IFRS CONVERGED STANDARDS:**

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company has adopted IND AS with effect from 1st April, 2017.

**APPRECIATION:**

Your Directors take this opportunity to offer their sincere thanks to the Government of India, State Government of Assam, AIDC, Dena Bank, IDBI, 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**

**Hemant B. Vyas**  
Managing Director  
DIN No. 00076289

Date: 14<sup>th</sup> August 2018  
Place: Mumbai

## 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 domestic demand for polyester filament yarn for apparel and non apparel sector is on rise due to rise in GDP and newer application of polyester. This is a prime material for textiles. The raw material for polyester yarn is PTA/MEG which falls under petrochemical industry. Introduction of GST has improved the movement of goods from one market to another market.

### OPPORTUNITIES

PBSL being the only polyester filament yarn spinner and manufacturer of value added yarn, it almost enjoys monopolistic position in entire North Eastern and surrounding states. This is in addition to steady growth in the conventional uses of polyester. Kolkata and Bangladesh are the major consumer centres of Company's products.

### CHALLENGES

PTA /MEG are the principle raw material for our product whose prices are linked with international market thus apart from normal fluctuation due to demand and supply currency fluctuation may also affect the prices.

**By Order of the Board of Directors**

Date: 14th August, 2018  
Place: Mumbai

**Hemant B. Vyas**  
Managing Director  
Din No. 00076289

**Devang Vyas**  
Director  
Din No.: 00076459

**ANNEXURE TO THE DIRECTORS' REPORT****Form AOC – 1****Part A: Subsidiaries**

{Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules 2014}

Statement containing salient features of the financial statement of subsidiaries

1. Name of subsidiaries which are yet to commence operations:	1. Prag Bosimi Texurising Private Limited 2. Prag Bosimi Packaging Private Limited
2. Name of subsidiaries which have been liquidated or sold during period:	NIL

## ANNEXURE TO THE DIRECTORS' REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/ OUT GO:

#### Annexure I

#### (A) POWER AND FUEL CONSUMPTION

Particulars	CURRENT PERIOD	PREVIOUS PERIOD
1. Electricity:		
Purchased:		
(a) No of Units	3703104	12400
(b) Total Amount (₹)	31963623	104160
(c) Rate/Unit (₹)	8.63	8.40
Own Generation:	Nil	Nil
Through Diesel generators	Nil	Nil
(a) No. Of Units:	7682	129000
(b) Unit per litre of Diesel	3	3
(c) Cost/Unit (₹)	19.22	18.00
Through steam turbine generation	Nil	Nil
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:	N.A	N.A
Quantity (KL)	N.A	N.A
Total Amount (₹)	N.A	N.A
Average Rate (Rs)	N.A	N.A
4. Steam:	N.A	N.A
Quantity in Tons:	N.A	N.A
Total Cost: (₹)	N.A	N.A
Rate per Ton (Rs)	N.A	N.A
Consumption per unit of production	N.A	N.A
Electricity per K.G. Yarn in No of Units	N.A	N.A
Furnace Oil (Liter)	N.A	N.A
Coal	N.A	N.A
Steam in K.G. per K.G of Yarn	N.A	N.A
<b>(B) FOREIGN EXCHANGE EARNINGS/OUTGO:</b>		
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

Date: 14th August, 2018  
Place: Mumbai

**Hemant B. Vyas**  
Managing Director  
Din No. 00076289

**Devang Vyas**  
Director  
Din No.: 00076459

## ANNEXURE II

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies act, 2013 read with [The Companies (Management and Administration) Rules, 2014]

## FORM NO. MGT-9

## A. REGISTRATION AND OTHER DETAILS:

<b>CIN</b>	L17124AS1987PLC002758
<b>Registration Date:</b>	31st July, 1987
<b>Name of the Company:</b>	PRAG BOSIMI SYNTHETICS LTD
<b>Category / Sub-Category of the Company</b>	INDIAN NON GOVERNEMNT COMPANY
<b>Address of the Registered office and contact details:</b>	HOUSE NO 4, NILGIRI PATH, R.G.BARUA ROAD, NEAR DOORDARSHAN, GUWAHATI, ASSAM-781024
<b>Whether listed company</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Sharex Dynamic (India) Private Limited, Unit- 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East),Mumbai 400072.

## B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
a.	Polyester Filament Yarn (PFY)	540242	100
b.			

## C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
A	PRAG BOSIMI PACKAGING PRIVATE LIMITED R.G.Barua Road, House No.4, Nilgiri Path, Near Doordarshan,Guwahati- 781 024 Assam.	U21022AS2011PTC010357	Subsidiary	100
B	PRAG BOSIMI TEXURISING PRIVATE LIMITED R.G.Barua Road, House No.4, Nilgiri Path, Near Doordarshan,Guwahati- 781 024 Assam	U17290AS2010PTC010340	Subsidiary	100
C	PRAG JYOTI TEXTILE PARK PRIVATE LIMITED R.G.Barua Road, House No.4, Nilgiri Path, Near Doordarshan,Guwahati- 781 024 Assam.	U17290AS2010PTC010321	Associate	11.75

# Prag Bosimi Synthetics Limited

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). Individual	2129280	275060	2404340	3.230	3593250	260650	3853900	5.180	1.95
(b). Central/State Govt.	18377980	0	18377980	24.710	18377980	0	18377980	24.710	0
(c). FIINS / BANKS.		0				0			0
(d). Any Other									
<b>Bodies Corporate</b>	6428109	7295400	13723509	18.45	6428109	7295400	13723509	18.45	0
<b>Sub-total (A) (1)</b>	<b>26935369</b>	<b>7570460</b>	<b>34505829</b>	<b>46.39</b>	<b>28399339</b>	<b>7556050</b>	<b>35955389</b>	<b>48.34</b>	<b>1.95</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind	0	904950	904950	1.22	0	29450	29450	0.04	(1.18)
(b). Government		0				0			0
(c). Institutions		0				0			0
(d). Foreign Portfolio Investors		0				0			0
(e). Any Other Specify		0				0			0
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>904950</b>	<b>904950</b>	<b>1.22</b>	<b>0</b>	<b>29450</b>	<b>29450</b>	<b>0.04</b>	<b>(1.18)</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>26935369</b>	<b>8475410</b>	<b>35410779</b>	<b>47.610</b>	<b>28399339</b>	<b>7585500</b>	<b>35984839</b>	<b>48.380</b>	<b>0.77</b>
<b>(B). PUBLIC SHAREHOLDING</b>									
<b>(1). Institutions</b>									
<b>(a). Mutual Funds</b>	0	98900	98900	0.130	0	98900	98900	0.130	0.000
(b). Venture Capital Funds		0				0			0.000
(c). Alternate Investments Funds		0				0		0.000	
(d). Foreign Venture Capital Funds		0				0		0.000	
(e). Foreign Portfolio Investors		0				0		0.000	
(f). Financial Institutions / Banks	1000	0	1000	0.000	1000	0	1000	0.000	0.000
(g). Insurance Companies		0				0			0.000
(h). Central / State Government / President Of India		0				0			0.000
(i). Provident Funds / Pension Funds		0				0			0.000
(j). Others (specify)		0				0			0
<b>Sub-total (B)(1)</b>	<b>1000</b>	<b>98900</b>	<b>99900</b>	<b>0.13</b>	<b>1000</b>	<b>98900</b>	<b>99900</b>	<b>0.13</b>	<b>0</b>
<b>(2). Non-Institutions</b>									
<b>(a). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹2 lakh	6876311	10604541	17480852	23.500	6823771	10584041	17407812	23.400	-0.100
(ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	10816752	0	10816752	14.540	10738325	0	10738325	14.440	(0.100)
(b). NBFCs registered with RBI		0				0			0.000
(c.) Employee Trusts		0				0			0.000
(d.) Overseas depositories		0				0			0.000
(c). Other (specify)									
Clearing Members	69944	0	69944	0.09	223136	0	223136	0.3	0.21
HUF		605769				607869			0.82
Non-Resident Indian (NRI)	548776		2064536	2.78	497176		1935436	2.6	
Bodies Corporate	2141808		7832328	10.53	2303092		7993512	10.75	
<b>Sub-total (B)(2)</b>	<b>21059360</b>	<b>10604541</b>	<b>38872281</b>	<b>52.26</b>	<b>20585500</b>	<b>10584041</b>	<b>38298221</b>	<b>51.49</b>	<b>(0.77)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>21060360</b>	<b>10703441</b>	<b>38972181</b>	<b>52.390</b>	<b>20586500</b>	<b>10682941</b>	<b>38398121</b>	<b>51.620</b>	<b>(0.77)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		<b>0</b>				<b>0</b>			<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>47995729</b>	<b>19178851</b>	<b>74382960</b>	<b>100.00</b>	<b>48985839</b>	<b>18268441</b>	<b>74382960</b>	<b>100.00</b>	<b>0</b>



## Company : Prag Bosimi Synthetics Ltd from 01-04-2017 to 31-03-2018

## Shareholding of promoters MGT9 Report

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	% changes in shareholding during the year
1	ASSAM INDUSTRIAL DEVELOPMENT CORPOR	18377980	24.707	0	18377980	24.707	0	0
2	AKHILESH MERCANTILE PVT LTD	6428109	8.642	0	6428109	8.642	0	0
3	DEVSAI INVSTS AND FINANCES P LTD	4250000	5.714	0	4250000	5.714	0	0
4	KAUSHALYA MARKETING P LTD	1485400	1.997	0	1485400	1.997	0	0
5	RAMYA MARKETING P LTD	1470000	1.976	0	1470000	1.976	0	0
6	DEVILA HEMANT VYAS	877001	1.179	0	1289461	1.734	0	0.555
7	HEMANT B VYAS	328475	0.442	0	770475	1.036	0	0.594
8	AHMED ESMAIL ADAM	725500	0.975	0	0	0	0	-0.975
9	VAISHALI VYAS	291197	0.391	0	701297	0.943	0	0.552
10	DEVENDRA PANNALAL BACHKANIWALA	261300	0.351	0	261300	0.351	0	0
11	RAJESH AMRATLAL DOSHI	195317	0.263	0	195317	0.263	0	0
12	LEENA KAMLESH BACHKANIWALA	160000	0.215	0	160000	0.215	0	0
13	VASUMATI B BACHKANIWALA	154000	0.207	0	154000	0.207	0	0
14	DEVANG VYAS	3860	0.005	0	113860	0.153	0	0.148
15	DEVANG H VYAS HUF	28740	0.039	0	103740	0.139	0	0.1
16	SWAYAMBHU LEASING & FINANCE LTD	90000	0.121	0	90000	0.121	0	0
17	KAMLESH B BACHKANIWALA	79500	0.107	0	79500	0.107	0	0
18	IMTIAZ AHMED ADAM	75000	0.101	0	0	0	0	(0.101)
19	SAJJAD AHMED ADAM	75000	0.101	0	0	0	0	(0.101)
20	MANI SETHI	16950	0.023	0	16950	0.023	0	0
21	GURMUKH SING SETHI	12500	0.017	0	12500	0.017	0	0
22	DHRUV R BACHKANIWALA	4700	0.006	0	4700	0.006	0	0
23	PRANAV BHARATKUMAR PANDYA	3800	0.005	0	3800	0.005	0	0
24	UNNATI D BACHKANIWALA	3000	0.004	0	3000	0.004	0	0
25	DHRUMAN JAGDISHCHANDRA VYAS	2500	0.003	0	2500	0.003	0	0
26	ASHOK BHANUSHANKER VYAS	1500	0.002	0	1500	0.002	0	0
27	DEEPIKA ASHOK KUMAR VYAS	1500	0.002	0	1500	0.002	0	0
28	USHMA VYAS	1250	0.002	0	1250	0.002	0	0
29	ARJUN VYAS	1250	0.002	0	1250	0.002	0	0
30	SMEETA VYAS	1250	0.002	0	1250	0.002	0	0
31	KRISHNA P BACHKANIWALA	1000	0.001	0	1000	0.001	0	0
32	LOKESH ASHOK KUMAR VYAS	1000	0.001	0	1000	0.001	0	0
33	NOMITA VYAS	1000	0.001	0	1000	0.001	0	0
34	RAJEN SHAH	800	0.001	0	800	0.001	0	0
35	HASIT PANDYA	300	0	0	300	0	0	0
36	HARILAXMI BHANUSHANKER VYAS	100	0	0	100	0	0	0

# Prag Bosimi Synthetics Limited

## Change in Promoter's Shareholding (Please specify,if there is change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			
		No. of Shares at the beginning/ end of the year	% of total Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	DEVILA HEMANT VYAS	877001	1.179	01-04-2017				
				12-05-2017	164400	Buy	1041401	1.4
				22-09-2017	143810	Buy	1185211	1.593
				30-09-2017	800	Buy	1186011	1.594
				19-01-2018	28450	Buy	1214461	1.633
				16-02-2018	75000	Buy	1289461	1.734
	- Closing Balance			31-03-2018			1289461	1.734
2	HEMANT B VYAS	328475	0.442	01-04-2017				
				16-02-2018	442000	Buy	770475	1.036
	- Closing Balance			31-03-2018			770475	1.036
3	VAISHALI VYAS	291197	0.391	01-04-2017				
				12-05-2017	161600	Buy	452797	0.609
				16-02-2018	248500	Buy	701297	0.943
				31-03-2018			701297	0.943
4	DEVANG VYAS	3860	0.005	01-04-2017				
				16-02-2018	110000	Buy	113860	0.153
	- Closing Balance			31-03-2018		DEMAT	113860	0.153
5	DEVANG H VYAS HUF	28740	0.039	01-04-2017				
				16-02-2018	75000	Buy	103740	0.139
				31-03-2018		DEMAT	103740	0.139
6	AHMED ESMAIL ADAM	725500	0.975	01-04-2017				
				16-02-2018	(725500)	Sold	0	0
				31-03-2018			0	0
7	IMTIAZ AHMED ADAM	75000	0.101	01-04-2017				
				16-02-2018	(75000)	Sold	0	0
	- Closing Balance			31-03-2018			0	0
8	SAJJAD AHMED ADAM	75000	0.101	01-04-2017				
				16-02-2018	(75000)	Sold	0	0
				31-03-2018			0	0

**Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):**

Sr. No.	Name	No. of Shares at the beginning/ end of the year	% of total Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	BOMBAY SILK MILLS LTD	2571870	3.458	01-04-2017				
	- Closing Balance			31-03-2018		No Change	2571870	3.458
2	SUBHASH BHAVANISHANKAR RAJGURU	1307720	1.758	01-04-2017				
				07-04-2017	1893	Buy	1309613	1.761
				14-04-2017	11122	Buy	1320735	1.776
				21-04-2017	20736	Buy	1341471	1.803
				28-04-2017	18100	Buy	1359571	1.828
				05-05-2017	20800	Buy	1380371	1.856
				12-05-2017	238358	Buy	1618729	2.176
				13-10-2017	500	Buy	1619229	2.177
	- Closing Balance			31-03-2018			1619229	2.177
3	SHRICHAKRA MARKETING P LTD	1000000	1.344	01-04-2017				
				13-10-2017	505000	Buy	1505000	2.023
	- Closing Balance			31-03-2018			1505000	2.023
4	SUHASINI MARKETING P LTD	1000000	1.344	01-04-2017				
				13-10-2017	470950	Buy	1470950	1.978
	- Closing Balance			31-03-2018			1470950	1.978
5	HIMSON TEXTILE ENGINEERING INDUSTIR	903376	1.214	01-04-2017				
	- Closing Balance			31-03-2018		No Change	903376	1.214
6	SUNDEEP LALIT SAIGAL	762001	1.024	01-04-2017				
	- Closing Balance			31-03-2018		No Change	762001	1.024
7	JINMATI M SHAH	643807	0.866	01-04-2017				
	- Closing Balance			31-03-2018		No Change	643807	0.866
8	SAVITA LALIT SAIGAL	612500	0.823	01-04-2017				
	- Closing Balance			31-03-2018		No Change	612500	0.823
9	ANKIT PRADIP CHOPRA	480599	0.646	01-04-2017				
	- Closing Balance			31-03-2018		No Change	480599	0.646
10	MATHEW VARGHESE	352000	0.473	01-04-2017				
				07-04-2017	5000	Buy	357000	0.48
				17-11-2017	6500	Buy	363500	0.489
	- Closing Balance			31-03-2018			363500	0.489
11	SHRICHAKRA MARKETING P LTD	505000	0.679	01-04-2017				
				13-10-2017	(505000)	Sold	0	0
	- Closing Balance			31-03-2018			0	0

# Prag Bosimi Synthetics Limited

## Shareholding of Directors and Key Managerial Personal

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
		No. of Shares at the beginning/ end of the year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of the total Shares of the company
	No Records Found!!							

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	417,354,913	1,225,694,793	–	1,643,049,706
ii) Interest due but not paid	37,491,614	–	–	37,491,614
iii) Interest accrued but not due	1,682,630	–	–	1,682,630
<b>Total (i+ii+iii)</b>	<b>456,529,157</b>	<b>1,225,694,793</b>	<b>–</b>	<b>1,682,223,950</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	3,790,817	682,247,137	–	686,037,954
Reduction	(126,664,771)	(650,000,000)	–	(776,664,771)
<b>Net Change</b>	<b>(122,873,954)</b>	<b>32,247,137</b>	<b>–</b>	<b>(90,626,817)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	332,100,730	1,244,075,256	–	1,576,175,986
ii) Interest due but not paid	–	13,866,674	–	13,866,674
iii) Interest accrued but not due	1,554,473	–	–	1,554,473
<b>Total (i+ii+iii)</b>	<b>333,655,203</b>	<b>1,257,941,930</b>	<b>–</b>	<b>1,591,597,132</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.no.	Particulars of Remuneration	Hemant B Vyas (MD)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	649,980	649,980
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	131,250	131,250
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	– as % of profit		
	– others, specify...		
5	Others, please specify		
	<b>Total (A)</b>	<b>781,230</b>	<b>781,230</b>

**B. Remuneration to other directors:**

Particulars of Remuneration		Name of Directors Manager	
			Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (2)	–	–
	Total (B)=(1+2)	–	–
	Total Managerial Remuneration	–	–

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Ramesh Pokhriyal	Company Secretary Madhu Dharewa	CFO Raktim Das	Total
1	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2,100,000	600,000	1,560,000	4,260,000
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission- as % of profit- others, specify... Others, please specify	–	–	–	–
	Total	2100000	600000	1560000	4260000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

### ANNEXURE III

- i. Disclosure for Ratio of Remuneration of Each Director to the Median Employee's Remuneration And Other Details As Per Rule 5 Of The Companies (Appointment & Remuneration) Rules, 2014:
- |                                  |   |            |
|----------------------------------|---|------------|
| Median Remuneration              | : | ₹1,10,584  |
| Shri Hemant B. Vyas Remuneration | : | ₹ 7,81,230 |
| Ratio                            | : | 7.06:1     |
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial period : None
- iii. The percentage increase in the median remuneration of employees in the financial period : Nil
- iv. The number of permanent employees on the rolls of the Company : 193
- v. Explanation on the relationship between average increase in remuneration and the Company's performance : Not Applicable as per Notification dated 30<sup>th</sup> June, 2016
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company : Not Applicable as per Notification dated 30<sup>th</sup> June, 2016
- vii. Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial period and previous financial period and percentage increase over / decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial period and previous financial period : Not Applicable as per Notification dated 30<sup>th</sup> June, 2016
- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : Not applicable
- ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company : Not Applicable as per Notification dated 30<sup>th</sup> June, 2016
- x. The key parameters for variable component of remuneration availed by the directors are as follows : Not Applicable as per Notification dated 30<sup>th</sup> June, 2016
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the period : Not Applicable as per Notification dated 30<sup>th</sup> June, 2016
- xii. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## REPORT ON CORPORATE GOVERNANCE IN RESPECT OF THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018:

The detailed report on Corporate Governance of Prag Bosimi Synthetics Limited (PBSL or the Company) as per the requirements under Schedule V of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, is set out as below:

### Company's Philosophy on Code of Governance:

Corporate Governance is an integral part of the Company's value system, management ethics and business practices. The Company 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 Schedule V of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 .

### Board of Directors:

#### (a) Composition of the Board

As on 31<sup>st</sup> March, 2018 the Company's Board comprises of 8 directors. The Board has One Executive Director, the Managing Director is the Promoter Director. In addition, the Board has six Non-Executive Directors, consisting of four Independent Directors. The details of the Directors during the year ended 31<sup>st</sup> March, 2018 are given below:

S. No.	Name of the Director	Category	Board Meetings attended during the year	Whether attended the last AGM	Directorships held in other Indian Public Companies
1	Shri Vinod Seshan **	Chairman, Nominee of AIDC, Non Executive Director	0	NA	4
2	Shri. Hemant B. Vyas	Managing Director, Promoter Director	7	No	3
3	Shri. Devang H. Vyas**	Non Executive Director	5	No	1
4	Shri. Prasanta Bora **	Nominee of AIDC, Non Executive	0	NA	0
5	Shri. G.M. Das	Independent Director Non-Executive	2	Yes	0
6	Shri Rohit P. Doshi	Independent Director Non-Executive	4	No	0
7	Smt. Deepali Phatak	Independent Director Non-Executive	5	No	0
8	Shri Mukund Trivedi	Independent Director Non-Executive	5	No	0
9	Hemang Sharma	Chairman, Nominee of AIDC, Non Executive Director	2	Yes	1
10.	M.K. Das	Nominee Director	2	Yes	0

\*The number of directorship excludes directorship of private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorship.

\*\* Shri. Vinod Seshan and Prasanta Bora were appointed on 14.02.2018 in place of H. K Sharma & M.K. Das vide letter dated 18.12.2017 from Govt of Assam.

### Note:

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

## (b) Number of Board Meetings

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 7 times during the period under review. The details of Board Meetings held during the year are as under:

S. No.	Date of the Board Meeting	Board Strength	No. of Directors present
1	30.04.2017	8	4
2	15.05.2017	8	4
3	30.05.2017	8	3
4	18.08.2017	8	5
5	14.09.2017	8	5
6	14.12.2017	8	5
7	14.02.2018	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 "www.pragbosimi.co.in".

## d) Familiarisation programme for independent directors

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the industry in which Company operates. The details of the familiarisation programmes imparted to the Independent Directors during 2017-2018 are put up on the website of the Company and can be accessed at [http://www.pragbosimi.co.in/company\\_policies\\_procedures.php](http://www.pragbosimi.co.in/company_policies_procedures.php)

## e) Formal letter of appointment to the independent directors

The Company has issued formal letter of appointment to all the Independent Directors on their appointment explaining inter-alia their roles, responsibilities, code of conduct, functions and duties as Independent Director of the

Company. The terms and conditions of appointment of independent directors have been hosted on the website of the Company and can be accessed at [http://pragbosimi.co.in/company\\_policies\\_procedures.php](http://pragbosimi.co.in/company_policies_procedures.php)

## f) Separate Meeting of the Independent Directors

During the financial year 2018-2019, the independent directors met separately without the presence of non-independent directors on 14<sup>th</sup> February 2018 in compliance with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Independent Directors at their meeting inter-alia discussed the following:

- i. Reviewed the performance of non independent directors and the Board as a whole
- ii. Reviewed the performance of the chairperson of the company
- iii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Committees of the Board:

The Board of Directors has constituted three permanent committees of the Board - the Audit Committee, the Stakeholders Relationship Committee and the Nomination and Remuneration Committee. 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 177 of the Companies Act, 2013, Clause 49 of the Listing Agreements with Stock Exchanges up to 1<sup>st</sup> December, 2015 and thereafter as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 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 Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Results as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Results are made available on the website [www.pragbosimi.co.in](http://www.pragbosimi.co.in) and are also sent to the Stock Exchanges where the Company's equity shares are listed for display at their respective websites.



The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

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 year ended on 31<sup>st</sup> March, 2018 are as under:

#### Audit Committee Meetings

The members of Audit Committee met five times on dated 30th May, 18th August and 14th December in year 2017 and on 14th February in the year 2018 during the financial year ended on 31st March 2018.

S. No.		Number of Meetings Held	No. of Meetings attended
1	Shri G. M. Das	4	1
2	Shri M. K. Das*	4	1
3	Shri Rohit Doshi	4	3
4	Smt. Deepali Pathak	4	3
5	Shri Mukund Trivedi	4	4
6	Shri Prasanta Bora	4	0

Mr. Prasanta Bora has been appointed in place of M.K. Das w.e.f 14<sup>th</sup> February 2018

#### B. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee to review and recommend payment of annual salaries, commission, service agreements and other employment conditions of the Executives. The Committee met 2 times 18<sup>th</sup> August in the year 2017 and on 14<sup>th</sup> February, in the year 2018 and all the members were present.

The Committee comprises of Shri G.M. Das, Chairman, Shri M.K. Das and Shri Rohit Doshi. The Committee periodically reviews and recommends suitable revision in the remuneration package of Executive Directors to the Board, if reqd.

#### Details of Remuneration, sitting fees paid/ accrued/credited to the Directors during the year ended March 31, 2018

Sr. No.	Name of the Director	Salary	Perquisites & other benefits*	Performance Bonus/Commission	Sitting Fee	Total
		₹	₹	₹	₹	₹
1	Shri. Hemant B. Vyas	649,980	131,250	—	—	781,230
2	Shri. Devang H. Vyas	—	—	—	—	—
3	Shri. Rohit P. Doshi	—	—	—	—	—
4	Smt. Deepali Pathak	—	—	—	—	—
5	Shri Mukund Trivedi	—	—	—	—	—

#### C. Stakeholders Relationship Committee:

A Stakeholders Relationship Committee has been constituted by the Board of Directors to monitor the redressal of the shareholders / investors grievances. The Committee met 4 times 30<sup>th</sup> May, 18<sup>th</sup> August, 14<sup>th</sup> December in the year 2017 and on 14<sup>th</sup> February, in the year 2018 and all the members were present.

The Committee comprises of the following Directors/ Secretary:-

1. Shri. Rohit P. Doshi (Non Executive Director) Chairman
2. Shri. H. B. Vyas
3. Shri. Devang Vyas
4. Ms Madhu P. Dharewa (Company Secretary)

S. No.		Number of Meetings Held	No. of Meetings attended
1	* Shri Rohit Doshi	4	2
2	Shri Hemant B Vyas	4	4
3	Shri Devang Vyas	4	3

There has been no complaints pending as on 31<sup>st</sup> March 2018. Company Secretary also acts as a Secretary to the Committee and is the Compliance Officer of the Company

## General Body Meetings

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

Year	Location	Whether any special resolutions passed	Date	Time
2016-2017	House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati- 781 024	Yes (1)	29 <sup>th</sup> Sept 2017	11:30 a.m.
2015-2016	House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati- 781 024	Yes (1)	29 <sup>th</sup> Sept 2016	11:30 a.m.
2013-2015	House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati- 781 024	Yes (1)	8 <sup>th</sup> July 2015	11:30 a.m.

## Disclosures

- The Stock Exchange had on 15.06.2017 levied fine of Rs 947404.5 for technical delay from company side in filing Annual Results for the year and quarter ended March 2017 which we have asked for relief vide letter dt: 27.06.2017
- There was related party transactions during the year, the details of which has been mentioned in the Notes to Accounts, Part 1(xii) as per AS-18 in Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2018
- There are no pecuniary relationships or transactions with the non - executive independent directors.
- The Company has complied with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile 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

- Quarterly Results**
- Newspapers wherein results normally published:** The North East Times (English) and Dainik Assami (Regional)
- Any website, wherein displayed :** www.pragbosimi.co.in
- Whether it also displays official news releases :** Yes
- Presentations made to Institutional Investors or to the Analysts :**

## SHAREHOLDERS INFORMATION

### 1. Annual General Meeting:-

The information regarding 30th Annual General Meeting for the financial year ended on 31st March 2018 is as follows :-

Date : 24<sup>th</sup> September, 2018

Time: 11:30 a.m.

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

### 2. Financial Calender : 1st April to 31st March.

### 3. Future Calendar for next financial year :

Financial Reporting of 1st Quarter ended on 30th June 2018	Mid of August, 2018
Financial Reporting of 2nd Quarter ended on 30th September 2018	Mid of November, 2018
Financial Reporting of 3rd Quarter ended on 31st December 2018	Mid of February 2018
Financial Reporting of 4th Quarter ended on 31st March 2019	During May 2019
Date of Annual General Meeting	During September 2019

- Dividend Payment Date:** No Dividend has been recommended for the year.
- Book Closure Date:** September 17 to September 24, 2018. (Both days inclusive)
- Dividend History:** The Company has not paid any Dividend during last 10 years
- Unclaimed Dividend / Share Certificates**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.pragbosimi.co.in Section 124(6) of the Companies Act, 2013 mandates transfer of all those shares, in respect of which Unpaid or Unclaimed dividend has been transferred by the Company to the IEPF.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2018:

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount ₹	Due Date for transfer to IEPF Account
1.	N.A.	N.A.	N.A.	N.A.

Further, as required to be disclosed under Regulation 34(3) read with Schedule V of Listing Regulations, Nil Shares are lying at the beginning or at the close of financial year in the Suspense Account. Further the Company did not moved in/ out any Equity Share in said Suspense Account during the current financial year.

8. **Listing on Stock Exchange** : BSE Limited
9. **Listing Fees** : Annual Listing Fees for Financial year 2018-2019 has been paid.
10. **Stock Code & ISIN** : Scrip Code 500192 on BSE.  
ISIN INE962B01011 on NSDL & CDSL
11. **Market Price Data (Equity Shares of Face Value of ₹ 10/-) :**

Month	Price on BSE (Rs) & Volume			S&P BSE Sensex	
	High	Low	Volume	High	Low
April, 2017	5.13	3.26	305,632	30,184.22	29,241.48
May, 2017	6.30	4.45	959,592	31,255.28	29,804.12
June, 2017	5.47	4.42	142,633	31,522.87	30,680.66
July, 2017	5.00	4.18	21,072	32,672.66	31,017.11
August, 2017	—	—	—	32,686.48	31,128.02
September, 2017	4.17	3.10	175,665	32,524.11	31,081.83
October, 2017	5.36	3.25	95,476	33,340.17	31,440.48
November, 2017	5.05	3.98	98,731	33,865.95	32,683.59
December, 2017	5.38	3.86	43,750	34,137.97	32,565.16
January, 2018	4.70	3.50	162,295	36,443.98	33,703.37
February, 2018	4.00	2.93	46,369	36,256.83	33,482.81
March, 2018	3.79	3.00	114,241	34,278.63	32,483.84

#### 12. Registrar & Share Transfer Agent

M/s. Sharex Dynamic (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

##### Sharex Dynamic (India) Private Limited

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

#### 13. Share Transfer Systems

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

#### 14. Shareholding pattern of the Company

Category	No. of Equity shares held	Percentage of shareholding
<b>A Promoters</b>		
1 Indian Promoters (Individuals/HUF)	17577409	23.63
2 Foreign Promoters	NIL	NIL
3 Bodies Corporate	NIL	NIL
4 Central/State Govt. Institutions (Assam Industrial Development Corporation Limited)	1,83,77,980	24.71
5 NRIs / Foreign Individuals	29450	.040
<b>B Non-Promoters Holding</b>		
<b>1 Institutional Investors</b>		
A Mutual Funds and UTI	98,900	0.13
B Banks, Financial Institutions, Insurance Companies, / Non-Govt. Institutions)	1,000	0.00
<b>2 Others – Non Institutions</b>		
A Others including Bodies Corporate	10,152,084	13.65
B Individuals holding nominal share capital up to ₹2 lakh	17,407,812	23.40
C Individuals holding nominal share capital more than ₹2 lakh	10,738,325	14.44
<b>TOTAL</b>	<b>74,382,960</b>	<b>100.00</b>

#### 15. Distribution Schedule as on 31<sup>st</sup> March, 2018

NO. OF SHARES	SHAREHOLDERS		SHARES	
	NUMBER	% TO TOTAL HOLDERS	NUMBER	% TO TOTAL CAPITAL
1 - 5000	85,659	95.60	11,195,957	15.05
5001 - 10000	2,181	2.43	1,856,688	2.50
10001 - 20000	837	0.93	1,311,384	1.76
20001 - 30000	267	0.30	691,862	0.93
30001 - 40000	115	0.13	410,515	0.55
40001 - 50000	128	0.14	614,130	0.83
50001 - 100000	156	0.17	1,181,887	1.59
100001 - ABOVE	255	0.28	57,120,537	76.79
<b>TOTAL</b>	<b>89,598</b>	<b>100.00</b>	<b>743,829,60</b>	<b>100.00</b>

#### 16. 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 No. 1, Luthra Industrial 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.

## 17. Dematerialization of Equity Shares and Liquidity

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

The Company's Equity Shares are in Physical/Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

### Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within 15 days from the date of issue of Shares.

No. of Shares Dematerialized		No. of Shares in Physical Form	
No. of Shares	Percentage	No. of Shares	Percentage
48,721,129	65.50%	25,661,831	34.5%

## 18. Plant Location of the Company:

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

## 19. 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.

## 20. Depository Services

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

- National Securities Depository Ltd.**  
Trade World, A Wing, 4<sup>th</sup> & 5<sup>th</sup> Floor,  
Kamala Mills Compound,  
Lower Parel, Mumbai 400013  
Telephone: (022) 24994200  
Fax: (022) 24976351  
E-mail: info@nsdl.co.in  
Website: www.nsdl.co.in
- Central Depository Services (India) Ltd.**  
17<sup>th</sup> floor, P J Towers,  
Dalai Street, Fort, Mumbai 400001  
Telephone: (022) 2723333  
Fax: (022) 22723199  
E-mail : investors@cdslindia.com  
Website: www.cdslindia.com

## 21. Nomination Facility

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the byelaws and business rules applicable to NSDL and CDSL. Nomination form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

**By Order of the Board of Directors**

**Hemant B. Vyas**  
Managing Director  
Din No. 00076289

**Devang Vyas**  
Director  
Din No.: 00076459

Date: 14th August, 2018  
Place: Mumbai

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members of  
M/s. Prag Bosimi Synthetics Limited, House No.4, Nilgiri Path,  
R.G.Barua Road, Near Doordarshan,  
Guwahati, Assam - 781 024

We have examined the compliance of conditions of Corporate Governance by M/s Prag Bosimi Synthetics Ltd. for the period ended 31st March, 2018 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 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 CS Amit Mudra**  
Company Secretary

Proprietor  
FCS No. 7933  
CP No. 16182

Place: Mumbai  
Date: 30th May, 2018

## FORM NO. MR.3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Authorised Capital: ₹ 2,500,000,000

CIN: L17124AS1987PLC002758

To,  
The Members,  
M/s PRAG BOSIMI SYNTHETICS LTD. House No.4,  
Nilgiri Path, R.G.Barua Road, Near Doordarshan,  
Guwahati, Assam - 781 024

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PRAG BOSIMI SYNTHETICS LTD. (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to Foreign Direct Investment, Overseas direct Investment and External Commercial Borrowings. - Not applicable to the Company
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable during the audit period
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee

Benefits) Regulations, 2014 notified on 28th October, 2014 - Not Applicable during the audit period

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable during the audit period
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable during the audit period and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable during the audit period;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- iii. Factories Act, 1948
- iv. Provident Fund Act 1952

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For CS Amit Mundra**  
Company Secretary

Proprietor

FCS No. 7933

CP No. 16182

Place: Mumbai

Date: 30th May, 2018

## DECLARATION OF THE MANAGING DIRECTOR & CEO

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company.

This is to further certify that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2018.

Mumbai  
30th May, 2018

**HEMANT B VYAS**  
Managing Director  
Din No.: 00076289

**RAMESH POKHRIYAL**  
Chief Executive Officer  
PAN. AHFPP4020P

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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 1<sup>st</sup> April 2017 to 31<sup>st</sup> March, 2018 as stipulated in erstwhile Clause 49 of the Listing Agreement and Regulations 17,18,19,20,21,22,23,24,25,26,27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015") of the said Company with Stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's 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 erstwhile Listing Agreement and SEBI Listing Regulations, 2015.

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 M.H Dalal & Associates**  
Chartered Accountants  
Firm Reg. No. 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Reg. No. 318191E

**Devang M. Dalal**  
Partner  
Membership No. 109049

**Debashish Bordoloi**  
Partner  
Membership No. 68018

Mumbai  
May 30, 2018

## INDEPENDENT AUDITORS' REPORT

TO,  
THE MEMBERS OF PRAG BOSIMI SYNTHETICS LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **PRAG BOSIMI SYNTHETICS LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under, including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of standalone Ind AS financial statements in accordance with the Standard on Auditing specified u/s 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the standalone Ind AS financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the standalone Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2018 and its financial performance including other comprehensive income, its Cash Flows and changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, the statement of Cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified u/s 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis on written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has not been an occasion in case of the Group during the year ended 31<sup>st</sup> March, 2018 to transfer any sums to the Investor Education and Protection Fund. Hence, the question of delay in transferring such sums does not arise.

**For M.H Dalal & Associates**

Chartered Accountants  
Firm Reg. No. 112449W

**For AMD & Associates**

Chartered Accountants  
Firm Reg. No. 318191E

**Devang M. Dalal**

Partner  
Membership No. 109049

**Debashish Bordoloi**

Partner  
Membership No. 68018

Mumbai  
May 30, 2018

## ANNEXURE –A TO THE INDEPENDENT AUDITORS’ REPORT

With reference to the Annexure referred to in the Independent Auditor’s Report on the Standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2018, we report the following:

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 year.
- (c) Title Deeds of immovable properties are held in the name of the company.

ii. In respect of its Inventories:

As explained to us, the inventories were physically verified during the year 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.

- iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the company.
- iv. According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, with respect to the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Companies Act, 2013 and the Rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company.
- vii. a) According to the information and explanations given to us and on the basis of examination of the records of the Company, there is following undisputed amounts payable in respect of aforesaid dues for a period exceeding six months from the date of becoming due as on 31<sup>st</sup> March, 2018:

The Act applicable	Details of outstanding Amount	Amount (₹ in Lakhs)
The Assam Professions, Trades, Callings and Employments Taxation Act, 1947	Professional Tax	16.19

- b) According to the information and explanations given to us and on the basis of examination of the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans and borrowings to a financial institution, banks, government or dues to debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and not obtained term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
- xi. The managerial remuneration has been paid or provided in accordance with the provisions of Section 197 read with Schedule V of the Act. The provision of Section 197 read with schedule 5 to the Companies Act, 2013 is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, there are no transactions with the related parties. Accordingly, paragraph 3(xiii) of the Order is not applicable to the Company.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For M.H Dalal & Associates**

Chartered Accountants  
Firm Reg. No. 112449W

**Devang M. Dalal**

Partner  
Membership No. 109049

Mumbai  
May 30, 2018

**For AMD & Associates**

Chartered Accountants  
Firm Reg. No. 318191E

**Debashish Bordoloi**

Partner  
Membership No. 68018

## **ANNEXURE – B TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Prag Bosimi Synthetics Limited** (“the Company”) as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M.H Dalal & Associates**

Chartered Accountants  
Firm Reg. No. 112449W

**Devang M. Dalal**

Partner  
Membership No. 109049

Mumbai  
May 30, 2018

**For AMD & Associates**

Chartered Accountants  
Firm Reg. No. 318191E

**Debashish Bordoloi**

Partner  
Membership No. 68018

# Prag Bosimi Synthetics Limited

## Balance sheet as on March 31, 2018

Particulars	Notes	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>Assets</b>				
<b>Non-current Assets</b>				
(a) Property, Plant and Equipment	3	2,091,284,574	2,064,578,332	1,981,337,640
(b) Capital work-in-progress	4	8,263,879	2,063,933	10,927,690
(c) Financial Assets	5			
(i) Investments	5.1	2,447,660	1,249,910	1,249,910
(ii) Trade Receivables	5.2	41,797,186	5,796,941	5,508,413
(iii) Loans	5.3	186,758,340	186,299,943	184,056,910
(d) Deferred Tax Assets (Net)		—	—	—
(e) Other Non-Current Assets	6	12,490,327	12,388,327	12,115,327
		<b>2,343,041,966</b>	<b>2,272,377,386</b>	<b>2,195,195,890</b>
<b>Current Assets</b>				
(a) Inventories	7	116,341,632	115,673,237	102,046,296
(b) Financial Assets	8			
(i) Investments	8.1	113,254,422	264,070,735	—
(ii) Trade Receivables	8.2	131,138,099	11,364,760	276,331
(iii) Cash and Cash Equivalents	8.3	3,828,080	21,278,711	465,436,733
(iv) Loans	8.4	32,465,768	31,372,777	23,710,040
(c) Other Current Assets	9	2,005,028	3,110,020	4,688,315
		<b>399,033,029</b>	<b>446,870,240</b>	<b>596,157,715</b>
<b>Total Assets</b>		<b>2,742,074,995</b>	<b>2,719,247,626</b>	<b>2,791,353,605</b>
<b>Equity &amp; Liabilities</b>				
<b>Equity</b>				
(a) Equity Share capital	10.1	898,403,300	740,703,300	740,703,300
(b) Other Equity	10.2	11,397,160	185,472,381	310,489,984
		<b>909,800,460</b>	<b>926,175,681</b>	<b>1,051,193,284</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities	11			
(i) Borrowings	11.1	1,244,075,256	1,279,739,793	1,255,376,149
(ii) Trade Payables	11.2	37,798,954	17,107,098	23,795,235
(b) Provisions	12	12,300,438	5,804,770	7,171,044
(c) Other Non-Current Liabilities	13	62,816,792	49,280,639	75,674,372
		<b>1,356,991,439</b>	<b>1,351,932,300</b>	<b>1,362,016,800</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities	14			
(i) Borrowings	14.1	322,279,848	357,879,082	346,178,488
(ii) Trade Payables	14.2	114,891,820	63,961,144	16,814,234
(b) Provisions	15	18,404,674	8,891,571	6,484,749
(c) Other Current Liabilities	16	19,706,754	10,407,849	8,666,050
		<b>475,283,095</b>	<b>441,139,645</b>	<b>378,143,521</b>
<b>Total Equity and Liabilities</b>		<b>2,742,074,995</b>	<b>2,719,247,626</b>	<b>2,791,353,605</b>
<b>Significant accounting policies</b>	2			
<b>Notes to the financial statements</b>	3 -34			

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

**Hemant B. Vyas**  
Managing Director  
DIN: 00076289

**Devang H. Vyas**  
Non Executive Director  
DIN: 00076459

**G. M. Das**  
Director  
DIN: 00144978

**Deepali R. Pathak**  
Director  
DIN: 05217417

**Devang M. Dalal**  
Partner  
Membership No: 109049

**Debashish Bardoloi**  
Partner  
Membership No: 068018

**Mukund P. Trivedi**  
Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018

**Statement of Profit and Loss for the year ended March 31, 2018**

Particulars	Notes	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>Income</b>			
Revenue From Operations	17	232,036,194	24,870,398
Other Income	18	8,393,456	28,620,495
<b>Total Revenue</b>		<b>240,429,650</b>	<b>53,490,893</b>
<b>Expenses</b>			
Cost of Materials Consumed	19.1	107,285,122	23,146,096
Purchases of Stock in Trade	19.2	91,489,920	3,340,579
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	19.3	1,686,197	(10,219,374)
Employee Benefits Expense	19.4	56,335,260	38,939,177
Finance Cost	19.5	58,577,657	61,537,887
Depreciation and Amortisation Expenses	19.6	35,519,581	98,535,769
Other Expenses	19.7	102,157,059	22,607,942
<b>Total Expenses</b>		<b>453,050,795</b>	<b>237,888,075</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>(212,621,145)</b>	<b>(184,397,182)</b>
<b>Exceptional Items</b>		-	-
<b>Profit/(Loss) before Tax</b>		<b>(212,621,145)</b>	<b>(184,397,182)</b>
<b>Tax Expense</b>		-	-
<b>Profit/(Loss) for the year</b>		<b>(212,621,145)</b>	<b>(184,397,182)</b>
<b>Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income</b>		<b>(212,621,145)</b>	<b>(184,397,182)</b>
<b>Earnings per equity share : (Face value of '10 each)</b>			
Basic and Diluted (Rupees)		(2.86)	(2.48)
<b>Significant accounting policies</b>	<b>2</b>		
<b>Notes to the financial statements</b>	<b>3-34</b>		

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

**Hemant B. Vyas**  
Managing Director  
DIN: 00076289

**Devang H. Vyas**  
Non Executive Director  
DIN: 00076459

**G. M. Das**  
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**Deepali R. Pathak**  
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DIN: 05217417

**Devang M. Dalal**  
Partner  
Membership No: 109049

**Debashish Bardoloi**  
Partner  
Membership No: 068018

**Mukund P. Trivedi**  
Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018

# Prag Bosimi Synthetics Limited

## Statement of Changes in Equity for the year ended March 31, 2018

### A Equity share capital

Particulars	Amount ₹
As at April 1, 2016	740,703,300
Changes in equity share capital during the year	—
<b>As at March 31, 2017</b>	<b>740,703,300</b>
Changes in equity share capital during the year	—
<b>As at March 31, 2018</b>	<b>740,703,300</b>

### B Other Equity

Particulars	Reserve and surplus				Total ₹
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	
<b>Balance as at April 1, 2016</b>	<b>16,700,000</b>	<b>814,625,000</b>	<b>1,315,840,499</b>	<b>(1,836,675,515)</b>	<b>310,489,984</b>
Profit/(loss) for the year	—	—	—	(184,397,182)	(184,397,182)
Transferred during the year	—	—	59,379,578	—	59,379,578
Other comprehensive income for the period	—	—	—	—	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>59,379,578</b>	<b>(184,397,182)</b>	<b>(125,017,604)</b>
<b>Balance as at March 31, 2017</b>	<b>16,700,000</b>	<b>814,625,000</b>	<b>1,375,220,077</b>	<b>(2,021,072,697)</b>	<b>185,472,380</b>
Profit/(loss) for the year	—	—	—	(212,621,145)	(212,621,145)
Transferred during the year	—	—	38,545,925	—	38,545,925
Other comprehensive income for the period	—	—	—	—	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>38,545,925</b>	<b>(212,621,145)</b>	<b>(174,075,220)</b>
<b>Balance as at March 31, 2018</b>	<b>16,700,000</b>	<b>814,625,000</b>	<b>1,413,766,002</b>	<b>(2,233,693,842)</b>	<b>11,397,160</b>

<b>Significant accounting policies</b>	<b>2</b>
<b>Notes to the financial statements</b>	<b>3-34</b>

The accompanying notes are integral part of these financial statements

**For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited**

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

**Hemant B. Vyas**  
Managing Director  
DIN: 00076289

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Non Executive Director  
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DIN: 05217417

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Partner  
Membership No: 109049

**Debashish Bardoloi**  
Partner  
Membership No: 068018

**Mukund P. Trivedi**  
Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018



**Statement of Cash Flows for the year April 1, 2017 to March 31, 2018**

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>A Cash flow from operating activities:</b>		
<b>Loss before tax</b>	<b>(212,621,145)</b>	<b>(184,397,182)</b>
<b>Adjustments for:</b>		
Gain on redemption of mutual fund investment measured at FVPL	(14,031)	(2,285)
Interest Income	(6,107,395)	(27,145,701)
Dividend Income	(801,345)	(1,473,020)
Interest Expense	58,577,657	61,537,887
Depreciation and Amortization Expense	35,519,581	98,535,769
Operating profit/(loss) before working capital changes	(125,446,678)	(52,944,532)
<b>Adjustments for:</b>		
(Increase) / decrease in Inventories	(668,395)	(13,626,941)
(Increase) / decrease in Trade Receivables	(155,773,584)	(11,376,957)
(Increase) / decrease in Other Current Assets	1,104,992	1,578,295
(Increase) / decrease in Other Non-current Assets	455,301	(273,000)
(Increase) / decrease in Current and Non-current Loans and Advances	(2,108,689)	(9,905,770)
Increase / (decrease) in Trade Payables	71,622,531	43,370,795
Increase / (decrease) in Other Current Liabilities	9,298,906	(1,165,655)
Increase / (decrease) in Other Non-Current Liabilities	13,536,153	(26,393,733)
Increase / (decrease) in Provisions	16,008,771	1,040,548
<b>Cash generated from operations</b>	<b>(171,970,692)</b>	<b>(69,696,950)</b>
Taxes paid	-	-
<b>Net cash flows from operating activities</b>	<b>(171,970,692)</b>	<b>(69,696,950)</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment including Capital Work-in-progress (Net)	(56,025,877)	(172,912,703)
Sale of Current Investments (Net)	151,631,688	(262,597,715)
Interest received	6,147,066	20,226,364
<b>Net cash flows from / (used in) investing activities</b>	<b>101,752,877</b>	<b>(415,284,054)</b>
<b>C Financing Activities</b>		
Proceed from issue of share capital	-	-
Proceed/(Repayment) of Long-term Borrowings (Net)	143,026,000	92,052,088
Repayment of Short-term Borrowings (Net)	(45,805,691)	-
Interest paid	(44,453,124)	(51,229,107)
<b>Net cash flow from / (used in) financing activities</b>	<b>52,767,185</b>	<b>40,822,981</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(17,450,629)</b>	<b>(444,158,024)</b>
Cash and cash equivalents at the beginning of the year	21,278,709	465,436,733
Cash and cash equivalents at the end of the year	3,828,080	21,278,709
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(17,450,629)</b>	<b>(444,158,024)</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	394,665	210,558
Foreign currency in hand	-	-
Balances with banks in current account	2,129,456	19,764,192
Others - Margin Money Deposit	1,303,959	1,303,959
<b>Total cash and cash equivalents</b>	<b>3,828,080</b>	<b>21,278,709</b>
Significant accounting policies	2	
Notes to the financial statements	3-34	

The accompanying notes are integral part of these financial statements

**For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited**

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

**Hemant B. Vyas**  
Managing Director  
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Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

### 1. COMPANY INFORMATION

Prag Bosimi Synthetics Limited ("the company") is a domestic public limited company with registered office situated at House No.4, Nilgiri Path, R. G. Barua Road, Near Doordarshan, Guwahati – 781 024. It is engaged primarily in manufacturing of Polyester Yarn.

The Company has started manufacturing factory operations with effect from 28/03/2017. The company continued its activities in separate division Bosimi Apparel.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### i. Statement of Compliance:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

#### ii. Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognized as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

#### iii. Depreciation on Property, Plant and Equipment:

- (a) Depreciation on fixed assets other than lease-hold land is provided on straight-line method in the manner specified in Schedule II of Companies Act, 2013.
- (b) Leasehold Land is amortized over the remaining period of lease.
- (c) Depreciation on additions/deductions during the year has been provided on pro-rata basis with reference to the month of addition/deduction.

#### iv. Treatment of 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.

#### v. Investments:

Temporary in nature Investments other than long term investments being current investments are Investments which are intended to be held for more than a year from the date of acquisition are classified as long term investments and are valued at cost subject to reduction made for diminution in value that is other than valued at cost or fair market value whichever is lower.

#### vi. Inventories:

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any. Cost includes purchase price, duties, transport & handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

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

**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)**

(c) Finished Goods: At lower of cost or net realizable value

**vii. 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 year 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 year.

**viii. 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 year end and the resultant exchange difference is adjusted to the cost of assets.

**ix. Government Grants and Subsidies:**

Government Grants are recognized when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognized in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognized in the Statement of Profit and Loss.

**x. Taxes on Income:**

No provision for taxation is made as the company has incurred losses during the year and has also brought forward unabsorbed losses.

No provision for deferred taxation is made in accounts as the company has been incurring losses year after year.

**xi. Provisions and Contingent Liabilities:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

### Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

xii. There were no events occurring after the Balance Sheet date which require reporting.

**xiii. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- (a) Sales are recognized on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods . It also includes excise duty (as it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not) and price variation based on the contractual agreement. It is measured at fair value of the consideration received net of sales tax/value added tax and discounts. Sales exclude self-consumption of finished goods.
- (b) Income from services is recognized (net of service tax/GST as applicable) as they are rendered, based on agreement/ arrangement with the concerned customers.
- (c) Dividend income is accounted for when the right to receive the income is established.
- (d) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (e) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the Statement of Profit and Loss.
- (f) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

## 3. Property, Plant and Equipment

	Land Freehold	Land Leasehold	Building Owned	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	TOTAL
<b>Gross Carrying Amount</b>								
Deemed Cost as at 01st April, 2016	578,617	229,730	291,021,158	1,683,578,579	3,196,142	1,616,108	1,117,306	1,981,337,640
Exchange Difference	-	-	-	-	-	-	-	-
Additions	-	-	-	181,301,232	475,228	-	-	181,776,460
Reclassification as held for sale	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>578,617</b>	<b>229,730</b>	<b>291,021,158</b>	<b>1,864,879,811</b>	<b>3,671,370</b>	<b>1,616,108</b>	<b>1,117,306</b>	<b>2,163,114,101</b>
Exchange Difference								
Additions	-	-	323,515	61,681,550	220,758	-	-	62,225,823
Reclassification as held for sale	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>578,617</b>	<b>229,730</b>	<b>291,344,673</b>	<b>1,926,561,361</b>	<b>3,892,128</b>	<b>1,616,108</b>	<b>1,117,306</b>	<b>2,225,339,923</b>
<b>Accumulated Depreciation</b>								
Additions	-	19,992	17,027,207	80,867,092	418,540	202,938	-	98,535,769
Disposals								
Reclassification as held for sale								
<b>Balance as at 31st March, 2017</b>	<b>-</b>	<b>19,992</b>	<b>17,027,207</b>	<b>80,867,092</b>	<b>418,540</b>	<b>202,938</b>	<b>-</b>	<b>98,535,769</b>
Additions	-	19,992	15,785,967	19,103,326	447,828	162,467	-	35,519,581
Disposals								
Reclassification as held for sale								
<b>Balance as at 31st March, 2018</b>	<b>-</b>	<b>39,984</b>	<b>32,813,174</b>	<b>99,970,418</b>	<b>866,368</b>	<b>365,406</b>	<b>-</b>	<b>134,055,350</b>
<b>Net carrying amount</b>								
Balance as at 1st April, 2016	578,617	229,730	291,021,158	1,683,578,579	3,196,142	1,616,108	1,117,306	1,981,337,640
Balance as at 31st March, 2017	578,617	209,738	273,993,952	1,784,012,719	3,252,830	1,413,170	1,117,306	2,064,578,332
Balance as at 31st March, 2018	578,617	189,746	258,531,500	1,826,590,943	3,025,760	1,250,702	1,117,306	2,091,284,574

## 4 Capital Work in Progress

1st April, 2016	10,927,690
31st March, 2017	2,063,933
31st March, 2018	8,263,879

# Prag Bosimi Synthetics Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

### 5. Non-Current Financial Assets

#### 5.1 Non Current Investments

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>Investment in Equity Instruments (Unquoted)</b>			
<b>Investment in Subsidiaries in fully paid Equity Instruments (unquoted)</b>			
a) Prag Bosimi Packaging Private Limited 10,000 Shares of ₹ 10/- each fully paid up	100,000	100,000	100,000
b) Prag Bosimi Texturising Private Limited 10,000 Shares of ₹ 10/- each fully paid up	100,000	100,000	100,000
<b>Investment in Associate company in fully paid Equity Instruments (unquoted)</b>			
a) Prag Jyoti Textile Park Private Limited 22,47,660 Shares of ₹ 10/- each fully paid up (1,04,991 Shares for the year ended 31st March, 2017 and 31st March, 2016)	2,247,660	1,049,910	1,049,910
	<u>2,447,660</u>	<u>1,249,910</u>	<u>1,249,910</u>
<b>5.2 Non-Current Trade Receivables</b>			
<b>Unsecured, Considered Good</b>			
Trade Receivables	41,797,186	5,796,941	5,508,413
	<u>41,797,186</u>	<u>5,796,941</u>	<u>5,508,413</u>
<b>5.3 Non-Current Long Term Loans</b>			
<b>Unsecured, Considered Good</b>			
Advances to Suppliers	2,761,792	2,260,630	35,262
Advances receivable in Cash/Kind	183,996,548	184,039,313	184,021,648
	<u>186,758,340</u>	<u>186,299,943</u>	<u>184,056,910</u>
<b>6. Other Non-Current Assets</b>			
Security Deposits	9,706,796	9,619,796	8,946,796
Other Non-Current Assets	2,783,531	2,768,531	3,168,531
	<u>12,490,327</u>	<u>12,388,327</u>	<u>12,115,327</u>
<b>7. Inventories</b>			
Raw Materials	16,765,864	17,144,312	13,736,745
Work-in-Progress	7,783,547	7,705,699	7,740,262
Finished Goods	41,411,969	43,176,014	32,922,077
Stores and Spares	50,380,251	47,647,212	47,647,212
	<u>116,341,632</u>	<u>115,673,237</u>	<u>102,046,296</u>

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>8.1 Current Investments</b>			
Fixed Deposits with Bank	113,254,422	166,500,000	—
Investment in Mutual Funds	—	97,570,735	—
	<u>113,254,422</u>	<u>264,070,735</u>	<u>—</u>
<b>8.2 Current Trade Receivables</b>			
<b>Unsecured, Considered Good</b>			
Trade Receivables	131,138,099	11,364,760	276,331
	<u>131,138,099</u>	<u>11,364,760</u>	<u>276,331</u>
<b>8.3 Cash &amp; Cash Equivalent</b>			
Balances with Bank	2,129,456	19,764,192	13,989,567
Balances in Escrow Account	—	—	450,000,000
Cash on hand	394,665	210,560	143,207
Others - Margin Money Deposit	1,303,959	1,303,959	1,303,959
	<u>3,828,080</u>	<u>21,278,711</u>	<u>465,436,733</u>
<b>8.4 Current Loans and Advances</b>			
<b>Unsecured, Considered Good</b>			
Loans and Advances to Related Parties	2,003,562	1,035,530	3,929,523
Loans and Advances to Employees	3,165,650	2,525,575	2,161,873
Advances to Suppliers	6,949,587	13,975,754	8,001,512
Balance with Government Authorities	20,346,969	13,835,918	9,617,132
	<u>32,465,768</u>	<u>31,372,777</u>	<u>23,710,040</u>
<b>9. Other Current Assets</b>			
Interest Accrued but not Due on Fixed Deposits	200,742	486,924	3,204,758
Prepaid Expenses	1,804,286	2,623,096	1,483,557
	<u>2,005,028</u>	<u>3,110,020</u>	<u>4,688,315</u>

# Prag Bosimi Synthetics Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>10.1 Equity Share Capital</b>			
<b>Authorised shares :</b>			
12,00,00,000 Equity Shares of ₹10/- each with voting rights	1,200,000,000	1,200,000,000	1,200,000,000
300,00,000 Equity Shares (Unclassified) of ₹10/- each with voting rights	300,000,000	300,000,000	300,000,000
10,00,000 Redeemable Preference Shares of ₹100/- each	100,000,000	100,000,000	100,000,000
90,00,000 Optionally Convertible Redeemable Preference Shares of ₹100/- each	900,000,000	900,000,000	900,000,000
	<b>2,500,000,000</b>	<b>2,500,000,000</b>	<b>2,500,000,000</b>
<b>Issued, subscribed and fully paid up capital :</b>			
Equity Shares of ₹10/- each with voting rights	743,829,600	743,829,600	743,829,600
Calls in Arrears	(3,126,300)	(3,126,300)	(3,126,300)
15,77,000 Optionally Convertible Redeemable Preference Shares of ₹100/- each	157,700,000	—	—
	<b>898,403,300</b>	<b>740,703,300</b>	<b>740,703,300</b>

### Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As on 31st March, 2018		As on March 31, 2017	
	Number	Amount	Number	Amount
At the beginning of the period	74,382,960	743,829,600	74,382,960	743,829,600
Share issued during the period	—	—	—	—
Outstanding at the end of the period	<b>74,382,960</b>	<b>743,829,600</b>	<b>74,382,960</b>	<b>743,829,600</b>

### Details of shareholders holding more than 5% shares in the Company

Particulars	As on March 31, 2018		As on March 31, 2017	
	Number of Shares Held	% of holding	Number of Shares Held	% of holding
Assam Industrial Development Corporation Limited	18,377,980	24.71%	18,377,980	24.71%
Akhilesh Merchantile Private Limited	6,423,909	8.64%	6,423,909	8.64%
Devsai Investments and Finances Private Limited	4,250,000	5.71%	4,250,000	5.71%

### Terms / rights attached to equity shares

The company has only one Class of Equity Shares having a par value of ₹ 10/- per share. Each Holder of Equity Share is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of Liquidation of the company. The Holders of Equity Shares will be entitled to receive remaining assets of the Company, after payment of all external liabilities. The Distribution will be in proportionate to the number of Equity Shares.

## 10.2 Other Equity

### Reserves & Surplus

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
Capital Reserve	16,700,000	16,700,000	16,700,000
Capital Redemption Reserve	814,625,000	814,625,000	814,625,000
General Reserve	1,413,766,002	1,375,220,077	1,315,840,499
Retained Earnings	(2,233,693,842)	(2,021,072,696)	(1,836,675,515)
	<b>11,397,160</b>	<b>185,472,381</b>	<b>310,489,984</b>



## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>11. Non-Current Financial Liabilities</b>			
<b>11.1 Non-Current Borrowings</b>			
<b>Secured</b>			
Term Loans from Financial Institution	–	12,500,000	35,000,000
<b>Unsecured</b>			
<b>Debentures</b>			
Optionally Cumulative Convertible Debentures (OCCD)	568,375,000	41,545,000	112,929,500
<b>Loans</b>			
From Government	28,000,000	678,000,000	678,000,000
From Related Parties	647,700,256	547,694,793	429,446,649
	<u>1,244,075,256</u>	<u>1,279,739,793</u>	<u>1,255,376,149</u>
<b>11.2 Non-Current Trade Payables</b>			
Trade Payables	37,798,954	17,107,098	23,795,235
	<u>37,798,954</u>	<u>17,107,098</u>	<u>23,795,235</u>
<b>12. Non-Current Provisions</b>			
<b>Provisions for Employee Benefits</b>			
(i) Gratuity	11,047,964	4,543,548	5,950,565
(ii) Leave Travel Allowance	1,088,450	1,097,198	1,056,455
(iii) Other Defined Benefit Plan - Insurance	164,024	164,024	164,024
	<u>12,300,438</u>	<u>5,804,770</u>	<u>7,171,044</u>
<b>13. Other Non-Current Liabilities</b>			
Interest Accrued on Borrowings	13,866,674	37,491,614	60,312,147
Advances from Customers	37,220,850	1,824,621	1,523,300
Salary Payable	6,080,837	5,283,384	5,228,052
Other Expenses Payable	2,264,441	2,386,649	5,995,370
Security Deposits	50,610	50,610	50,610
Unpaid Dividend	738,813	–	–
Statutory Liabilities	2,594,567	2,243,761	2,564,893
	<u>62,816,792</u>	<u>49,280,639</u>	<u>75,674,372</u>
<b>14. Financial Liabilities</b>			
<b>14.1 Current Borrowings</b>			
<b>Secured</b>			
<b>Term Loans</b>			
From Financial Institution	15,000,000	50,000,000	50,000,000
<b>Unsecured</b>			
<b>Loans</b>			
From Related Parties	205,179,118	209,569,169	212,696,809
<b>Others</b>			
Bank Overdraft	102,100,730	98,309,913	83,481,679
	<u>322,279,848</u>	<u>357,879,082</u>	<u>346,178,488</u>

# Prag Bosimi Synthetics Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>14.2 Current Trade Payables</b>			
Trade Payables	114,891,820	63,961,144	16,814,234
	<u>114,891,820</u>	<u>63,961,144</u>	<u>16,814,234</u>
<b>15. Current Provisions</b>			
<b>Provisions for Employee Benefits</b>			
(i) Gratuity	2,820,668	1,859,536	2,226,380
(ii) Leave Encashment	6,257,778	4,517,381	3,887,397
Provision for Expenses	9,326,228	2,514,654	370,972
	<u>18,404,674</u>	<u>8,891,571</u>	<u>6,484,749</u>
<b>16. Current Liabilities</b>			
Interest Accrued on Borrowings	1,554,473	1,682,630	1,816,618
Advances from Customers	2,872,532	14	301,321
Salary Payable	6,889,490	6,847,870	2,498,639
Statutory Liabilities	8,345,829	1,877,334	4,049,472
Others	44,430	-	-
	<u>19,706,754</u>	<u>10,407,849</u>	<u>8,666,050</u>
<b>Particulars</b>	<b>Year ended March 31, 2018 ₹</b>	<b>Year ended March 31, 2017 ₹</b>	
<b>17. Revenue from Operations</b>			
Sale of Products (Including Excise Duty)	211,963,429	16,314,998	
Other Operating Revenue			
– Brokerage & Commission	13,057,487	-	
– Sale of Scrap	7,015,278	8,555,400	
	<u>232,036,194</u>	<u>24,870,398</u>	
<b>18. Other Income</b>			
Interest Income	6,107,395	27,145,701	
Dividend Income	801,345	1,473,020	
Gain/(Loss) on sale/redemption of Investments	14,031	(2,285)	
Other Non-operating Income	1,470,686	4,059	
	<u>8,393,456</u>	<u>28,620,495</u>	
<b>19.1 Cost of Materials Consumed</b>			
Raw Materials at the Beginning of the year	17,144,312	13,736,744	
Add: Purchases	106,906,675	26,553,664	
	<u>124,050,987</u>	<u>40,290,408</u>	
Less: Raw Materials at the End of the year	16,765,864	17,144,312	
Total Cost of Materials Consumed	<u>107,285,122</u>	<u>23,146,096</u>	

**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)**

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>19.2 Purchases of Stock in Trade</b>		
Readymade Garments	8,943,174	3,340,579
Fabrics	82,546,746	—
	<u>91,489,920</u>	<u>3,340,579</u>
<b>19.3 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade</b>		
<u>Closing Inventories</u>		
Finished Goods	41,411,969	43,176,014
Work-in-Progress	7,783,547	7,705,699
Stock-in-Trade	—	—
	<u>49,195,516</u>	<u>50,881,713</u>
<u>Opening Inventories</u>		
Finished Goods	43,176,014	32,922,077
Work-in-Progress	7,705,699	7,740,262
Stock-in-Trade	—	—
	<u>50,881,713</u>	<u>40,662,339</u>
	<u>1,686,197</u>	<u>(10,219,374)</u>
<b>19.4 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	53,603,094	37,416,882
Contributions to Provident and Other Funds	1,946,792	1,051,684
Staff Welfare Expenses	785,374	470,611
	<u>56,335,260</u>	<u>38,939,177</u>
<b>19.5 Finance Cost</b>		
Interest Expenses	58,577,657	61,537,887
	<u>58,577,657</u>	<u>61,537,887</u>
<b>19.6 Depreciation and Amortisation expenses</b>		
Depreciation on Plant, Property and Equipment	35,499,589	98,515,777
Amortiation of Intangible Assets	19,992	19,992
	<u>35,519,581</u>	<u>98,535,769</u>

# Prag Bosimi Synthetics Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>19.7 Other Expenses</b>		
Consumption of Stores and Spares	1,009,432	115,124
Power and fuel	33,641,178	4,022,686
Labour Charges	12,000,919	907,237
Freight and forwarding	2,068,920	440,461
Advertisement expenses	131,021	178,045
Rent including lease rentals	3,682,444	1,639,808
Repairs and maintenance - Buildings	12,220	47,800
Repairs and maintenance - Machinery	2,255,902	388,470
Repairs and maintenance - Others	2,463,588	873,535
Insurance Expenses	2,178,337	1,872,690
Interest on delayed payment	498,013	314,382
Rates and taxes	82,072	658,965
Communication	558,818	574,621
Vehicle Expenses	1,831,355	1,276,018
Travelling and conveyance	3,934,726	2,656,086
Printing and stationery	1,444,273	1,312,974
Commission Expenses	108,644	33,775
Donations and contributions	66,402	35,173
Legal and professional	4,749,884	3,669,103
Auditors' Remuneration (See details below)	374,500	372,930
Prior Period Expenses	23,864,753	(3,250,580)
Miscellaneous expenses	5,199,659	5,375,876
	<u>102,157,059</u>	<u>22,607,942</u>
<b>Payments made to Auditors</b>		
Statutory Audit Fees	270,750	287,930
Tax Audit Fees	103,750	75,000
Other Services	-	10,000
	<u>374,500</u>	<u>372,930</u>

**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)****20. Contingent liabilities not provided for:**

Sr. Particulars No.	As At March 31, 2018 ₹	As At March 31, 2017 ₹
a) Counter Guarantees for Sales tax	5,000	5,000
b) Claims against the Group not acknowledged as debts	264,208,000	316,645,000
c) Letter of undertaking executed in favor of Joint Director General of foreign trade under Duty Exemption Entitlement Scheme (Advance License Scheme) for custom duty	13,040,682	13,040,682
d) Letters of credit and Bank Guarantees given by bankers on behalf of the Company.	5,250,000	5,250,000

21. 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.

22. Estimated amount of contracts remaining to be executed on capital account net of advances is ₹ Nil (Previous Year ₹ Nil).

**23. Provision for Depreciation on Property, Plant and Equipment:**

- a) The Company has provided depreciation in its books of accounts on its Plant and Equipment only to the extent of 10% of the value as on 1<sup>st</sup> April, 2017. This is based on the expert view that depreciation is linked to the actual user for an asset. The Company has barely used 10% of its Plant and Machinery and hence the treatment to the depreciation as permitted under Ind AS 16.
- b) Depreciation has not been provided on new addition to Plant and Equipment installed during the year amounting to ₹ 5,68,51,746/- as the same have not been put to use on 31.03.2018.

24. During the year, the Company invested in subsidiary company ₹ 11,97,750/- (1,19,775 Equity Shares of ₹ 10/- each) [Previous Year ₹ Nil] which is reflected as Non-Current Investment in the Financial Statement.

25. Loans and Advances include ₹ 82,30,880/- (Previous Year ₹ 81,99,880/-) 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.

26. 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 year.

27. 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.

28. 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.

**29. Disclosure under IND AS – 108 : Segment Report:**Operating Segments:

Packaging	Corrugated Box
Garment	Readymade Garment
Others	Fabric, Yarn & others

The chief operational decision maker (CODM) monitors the operating results of its business for the purpose of making decisions about resource allocation and performance assessment. Operating segments have been identified on the basis of the nature of products.

Revenue and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

# Prag Bosimi Synthetics Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Assets & Liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets & Liabilities are disclosed as unallocable.

	Yarn	Packaging	Garment/ Fabrics	Others	Total
<b>REVENUE</b>					
External Revenue (₹)	87,295,522	12,286,537	112,381,370	28,466,221	240,429,650
Pervious year (₹)	(-)	(9,629,344)	(6,407,705)	(277,949)	(16,314,998)
<b>RESULTS</b>					
Total Segment Results	-28,680,144	-10,942,653	9,245,215	28,466,221	-1,911,360
Pervious year	(-)	(-2,705,215)	(-11,460,983)	(277,949)	(-13,888,249)
Finance Cost					58,577,657
Pervious year					(-61,537,887)
Unallocable Expenses net of Unallocable Income Pervious year					-152,132,128 (-108,971,046)
<b>Net Profit</b>					
Pervious year					-212,621,145 (-184,397,182)

\*Previous Year's (2016 – 2017) figures are indicated in the bracket.

### 30. Related Party Disclosures:

a. Related Parties where control exists:

- |                                      |                                 |
|--------------------------------------|---------------------------------|
| 1. Prag Bosimi Texturising Pvt. Ltd. | Wholly owned Subsidiary         |
| 2. Prag Jyoti Textile Park Pvt. Ltd. | 11.75% shareholding (Associate) |
| 3. Prag Bosimi Packaging Pvt. Ltd    | Wholly owned Subsidiary         |

b. Other Related Parties in transactions with the company:

#### Key Managerial Personnel

- |   |                               |
|---|-------------------------------|
| 1 | Mr. Hemant B. Vyas (MD)       |
| 2 | Mr. Ramesh C. Pokhriyal (CEO) |
| 3 | Mr. Raktim Kumar Das (CFO)    |
| 4 | Mrs. Madhu Dharewa (CS)       |

#### Directors

- |   |                    |
|---|--------------------|
| 1 | Ms. Deepali Pathak |
| 2 | Mr. Mukund Trivedi |

#### Director in common

- |   |                               |
|---|-------------------------------|
| 1 | Ayodhya Vintrade Pvt. Ltd.    |
| 2 | Interlink Suppliers Pvt. Ltd. |

2. Related Parties in transaction with the company:

Particulars	For the year ended 31.03.2018 ₹	Balance as on 31.03.2018 ₹
<b>1. Remuneration</b>		
Mr. Hemant B. Vyas	781,230 (781,230)	4,895,429 (4,473,606)
Mr. Ramesh C. Pokhriyal	2,100,000 (2,100,000)	348,300 (104,049)
Mr. Raktim Kumar Das	1,560,000 (1,410,000)	230,900 (175,000)
Mrs. Madhu Dharewa	600,000 (261,881)	49,050 (159,533)

**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)****2. Related Parties in transaction with the company:**

Particulars	For the year ended 31.03.2018 ₹	Balance as on 31.03.2018 ₹
<b>2. Sitting Fees</b>		
Ms. Deepali Pathak	— (2,500)	— (—)
Mr. Mukund Trivedi	— (5000)	— (—)
<b>3. Loan Received (Net)</b>		
i. Mr. Hemant B. Vyas	96,750,000 (62,910,000)	445,101,614 (348,351,614)
ii. Interlink Suppliers Pvt. Ltd.	— (52,400,000)	89,250,000 (89,250,000)
<b>4. Loan Repaid</b>		
Ayodhya Vintrade Pvt. Ltd.	— (—)	79,950,000 (79,950,000)
<b>5. Advances to:</b>		
i. Prag Bosimi Texturising Pvt. Ltd	1,897,972 (-13,325)	2,003,562 (105,590)
ii. Prag Jyoti Textile Park Pvt. Ltd.	1,868,182 (2,424,961)	6,264,455 (4,396,275)
iii. Prag Bosimi Packaging Pvt. Ltd	-502,297 (-2,880,668)	-21,511 (480,786)
<b>6. Advances from:</b>		
Prag Jyoti Textile Park Pvt. Ltd.	2,543,392 (3,127,640)	-211,422,062 (213,965,454)

\* Previous Year's (2016 – 2017) figures are indicated in the bracket.

- 31.** During the year, the Company has entered into One Time Settlement (OTS) with Central Bank of India and United Commercial Bank in respect of their dues of holding 8% Optionally Cumulative Convertible Debentures (OCCDs). As per the agreement of OTS with the aforesaid Institutions; the details of final settlement and payments made are as follows:

Name	Principal Amount of 8% OCCDs (₹ in Crores)	Settlement Amount (₹ in crores)	Principal Amount waived (₹ in crores)	Amount of Interest accrued and due waived (₹ in crores)
Central Bank of India	0.93	0.19	0.74	0.45
United Commercial Bank	0.76	0.22	0.54	0.38
<b>Total</b>	<b>1.69</b>	<b>0.41</b>	<b>1.28</b>	<b>0.83</b>

Therefore, the remaining balance of OCCD amounting ₹ 1.28 Crores and interest accrued and due amounting ₹ 0.83 Crores aggregating ₹ 2.11 crores being non payable to the above referred Institutions are transferred to General Reserve as per the company's policies.

- 32.** Prag Bosimi Synthetics Ltd (Holding Company) has two subsidiary companies viz Prag Bosimi Texturising Pvt. Ltd. and Prag Bosimi Packaging Pvt. Ltd. which are non-operating and non revenue generating. Therefore, operating expenditure incurred by the company are absorbed by the holding Company.

# Prag Bosimi Synthetics Limited

## Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

### 33. Earnings per Share:

Earnings per Share	31.03.2018	31.03.2017
Net profit /(loss) as per P/L Account (₹)	(212,621,145)	(184,397,182)
Weighted average number of equity shares outstanding (Numbers)	74,382,960	74,382,960
Basic and diluted earnings per share (Face value ₹ 10/- per Share)	(2.86)	(2.48)

### 34. Previous Year Comparatives:

Previous Year's figures of the Company have been regrouped / reclassified / rearranged wherever necessary, to conform to this year's classification.

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

**Hemant B. Vyas**  
Managing Director  
DIN: 00076289

**Devang H. Vyas**  
Non Executive Director  
DIN: 00076459

**G. M. Das**  
Director  
DIN: 00144978

**Deepali R. Pathak**  
Director  
DIN: 05217417

**Devang M. Dalal**  
Partner  
Membership No: 109049

**Debashish Bardoloi**  
Partner  
Membership No: 068018

**Mukund P. Trivedi**  
Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018



## ANNEXURE-I

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

	Unit	For the twelve months period ended 31.03.2018		For the twelve months period ended 31.03.2017	
		Quantity	Amount	Quantity	Amount
a. Opening Stock			₹		₹
Yarn	MT	122.97	9,539,143	120.79	9,345,599
Readymade Garment	Pcs	30694.00	10,060,393		
Others					
b. Purchases					
Fabric	MTRS	2,242,309	82,546,746		
Readymade Garment	Pcs	28626	8,943,174	8936	3,340,579
Others					
c. Actual Production/Processed					
Transfer from raw material	MT	153.85			
Yarn (net of captive consumption)	MT	733.53		4.96	
Garments	Pcs				
d. Sales					
Yarn	MT	869.19	87,906,614	2.78	277,949
Fabric	MTRS	2,242,309	97,411,903	–	
Readymade Garment	Pcs	45,584	14,899,257	14,572	6,407,705
Others			11,745,655		9,629,344
Transfer to Raw Material	MT				
e. Closing Stock					
Yarn	MT	141.16	19,947,651	122.97	9,539,143
Readymade Garment	Pcs	13,736	3,118,341	30,694.00	10,060,393
Others			–		–
Polyester chips	MT				
Others					
<b>B. (i) Details of Raw Materials Consumed</b>					
Polyester chips	MT	368.00	25,913,111	32.00	2,296,960
Yarn Purchases	MT	571.00	51,982,344	4.96	406,077
Others			29,389,667		20,443,058
Total		–	107,285,122	–	23,146,096

## (ii) Details of value of imported and indigenous Raw Material, Components consumed and percentage of each to the total consumption

	For the twelve months period ended 31.03.2018		For the twelve months period ended 31.03.2017	
	%	Amount	%	Amount
		₹		₹
Raw Materials				
– imported	–	–	–	–
– indigenous	100	–	100	–
	100	–	100	–
Others				
– imported				
– indigenous	100	–	100	–
	100	–	100	–

# Prag Bosimi Synthetics Limited

	For the twelve months period ended 31.03.2018		For the twelve months period ended 31.03.2017	
	%	Amount	%	Amount
<b>C. Auditors' remuneration includes:</b>		₹		₹
Audit Fees		270,750		287,930
Certification Fees		103,750		75,000
Fees for Taxation matter				10,000
		<b>374,500</b>		<b>372,930</b>
<b>D. Licenced &amp; installed Capacity</b> (as certified by the Management)				
			<b>As at 31-Mar-18</b>	
	Units	Licenced Capacity	<b>Installed Capacity</b>	
Polyester Filament Yarn	TPA	25,000	<b>36,000</b>	
Draw Texturising Machines	Nos		<b>2</b>	
Cone Winding Machine	Nos		<b>1</b>	
Dyeing Machine	Nos		<b>1</b>	
		₹		₹
<b>E. Expenditure in Foreign Currency (On actual payment basis)</b>				
i) Technical Services		–		–
ii) Other matters		–		–

## ANNEXURE-II

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

i. Registration Details			
Registration No	2758	State Code	
Balance Sheet Date	31-Mar-18		
ii. Capital raised during the year (Amount in rupees thousands)			
Public issue	Nil	Rights issue	
Bonus issue	Nil	Private Placement	
iii. Position of Mobilisation and Deployment of Funds(Amount in rupees thousands)			
Total liabilities	2,742,074,995	Total assets	2,742,074,995
Sources of funds			
Paid up Capital	898,403,300	Reserves & Surplus	11,397,160
Non-current liabilities	1,356,991,439	Current liabilities	475,283,095
Application of Funds:			
Net Fixed Assets&CWIP	2,099,548,452		
Non-Current Investments	2,447,660	Current Investments	113,254,422
Non-current assets	241,045,854	Current assets	285,778,607
iv. Performance of Company (Amount in rupees thousands)			
Turnover (including other income)	240,429,650	Total Expenditure	453,050,795
Profit/(Loss) Before Tax	(212,621,145)	Profit/(Loss)After Tax	(212,621,145)
v. Generic Name of the Principal Products of the Company		Earning Per Share	(2.86)
Item Code No.(ITC Code)	5402.42		
Product Description	Polyester Filament Yarn (PFY)		Polyester Filament Yarn (PFY)

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## INDEPENDENT AUDITORS' REPORT

TO,  
THE MEMBERS OF PRAG BOSIMI SYNTHETICS LIMITED

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of **PRAG BOSIMI SYNTHETICS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement Of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and its associates in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under, including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standard on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgments, including the assessment of risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances.. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of his report referred to in sub-paragraph (b) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind As financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on other financial information of the subsidiaries and associate, the

## Prag Bosimi Synthetics Limited

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aforesaid consolidated Ind AS 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, including the Ind AS, of the consolidated financial position of the Group and its associates as at 31<sup>st</sup> March, 2018 and their consolidated financial performance including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year then ended.

### Other Matters

- a. The comparative financial information of the Group for the year ended 31<sup>st</sup> March, 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by M.H. Dalal & Associates, Chartered Accountants, one of the joint auditor of the company with respect to the Holding Company and by other auditor with respect to the subsidiary and associate as noted in paragraph (b) below. Our opinion is not modified in respect of this matter.
- b. We did not audit the financial statements of 2 subsidiaries whose financial statements reflects total assets of ₹ 25,18,280/- and net assets of ₹ 25,18,280/- as at 31<sup>st</sup> March, 2018, total revenue of ₹ Nil and net cash outflow of ₹ Nil for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 30,076/- for the year ended 31<sup>st</sup> March, 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate company, whose financial statement has not been audited by us. These financial statement has been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these 2 subsidiaries and 1 associate and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid 2 subsidiaries and 1 associate, is based solely on the reports of the other auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act and based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statement;
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) On the basis on written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a associate company incorporated in India, none of the directors of the Group companies and its associate incorporated in India is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director of that company in terms of section 164 (2) of the Act; and
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and its associate company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate financial statements as also the other financial information of the subsidiaries and a associate, as noted in the 'Other Matters' paragraph:

- i. The Group and its associate did not have any pending litigations which would impact its financial position.
- ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has not been an occasion in case of the Group and its associate during the year ended 31<sup>st</sup> March, 2018 to transfer any sums to the Investor Education and Protection Fund. Hence, the question of delay in transferring such sums does not arise.

**For M.H Dalal & Associates**

Chartered Accountants  
Firm Reg. No. 112449W

**Devang M. Dalal**

Partner  
Membership No. 109049

Mumbai  
May 30, 2018

**For AMD & Associates**

Chartered Accountants  
Firm Reg. No. 318191E

**Debashish Bordoloi**

Partner  
Membership No. 68018

## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Prag Bosimi Synthetics Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as at 31<sup>st</sup> March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Group and its associates have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M.H. Dalal & Associates**

Chartered Accountants  
Firm Reg. No. 112449W

**Devang M. Dalal**

Partner  
Membership No. 109049

Mumbai  
May 30, 2018

**For AMD & Associates**

Chartered Accountants  
Firm Reg. No. 318191E

**Debashish Bordoloi**

Partner  
Membership No. 68018

# Prag Bosimi Synthetics Limited

## Consolidated Balance Sheet as on March 31, 2018

Particulars	Notes	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>Assets</b>				
<b>Non-current Assets</b>				
(a) Property, Plant and Equipment	3	2,091,345,514	2,064,650,898	1,982,787,621
(b) Capital work-in-progress	4	132,188,847	62,722,661	19,500,137
(c) Financial Assets	5			
(i) Trade Receivables	5.1	41,797,186	5,796,941	5,508,413
(ii) Loans	5.2	186,763,340	186,299,943	184,056,910
(d) Deferred Tax Assets (Net)		—	—	—
(e) Other Non-Current Assets	6	12,490,327	12,388,327	12,115,327
		<b>2,464,585,214</b>	<b>2,331,858,770</b>	<b>2,203,968,408</b>
<b>Current Assets</b>				
(a) Inventories	7	116,341,632	115,673,237	102,046,296
(b) Financial Assets	8			
(i) Investments	8.1	126,754,422	264,070,735	37,500,000
(ii) Trade Receivables	8.2	131,138,099	11,364,760	276,331
(iii) Cash and Cash Equivalents	8.3	6,847,325	23,893,353	472,706,073
(iv) Loans	8.4	45,985,088	38,492,415	20,310,365
(c) Other Current Assets	9	2,383,912	3,488,904	5,067,199
		<b>429,450,477.68</b>	<b>456,983,404</b>	<b>637,906,264</b>
<b>Total Assets</b>		<b>2,894,035,692</b>	<b>2,788,842,174</b>	<b>2,841,874,672</b>
<b>Equity &amp; Liabilities</b>				
<b>Equity</b>				
(a) Equity Share capital	10.1	913,070,050	741,289,950	741,289,950
(b) Other Equity	10.2	10,799,762	184,905,057	309,934,288
		<b>923,869,812</b>	<b>926,195,007</b>	<b>1,051,224,238</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities	11			
(i) Borrowings	11.1	1,471,366,204	1,501,710,793	1,473,772,149
(ii) Trade Payables	11.2	37,798,954	17,107,098	23,795,235
(b) Provisions	12	12,623,053	5,804,770	7,171,044
(c) Other Non-Current Liabilities	13	163,231,204	89,283,584	115,677,319
		<b>1,685,019,414</b>	<b>1,613,906,245</b>	<b>1,620,415,747</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities	14			
(i) Borrowings	14.1	117,100,730	148,309,913	133,481,679
(ii) Trade Payables	14.2	121,450,538	73,328,277	16,850,203
(b) Provisions	15	18,459,552	9,031,861	6,522,559
(c) Other Current Liabilities	16	28,135,646	18,070,871	13,380,246
		<b>285,146,465</b>	<b>248,740,922</b>	<b>170,234,687</b>
<b>Total Equity and Liabilities</b>		<b>2,894,035,692</b>	<b>2,788,842,174</b>	<b>2,841,874,672</b>
<b>Significant accounting policies</b>	2			
<b>Notes to the financial statements</b>	3 -34			

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

**Hemant B. Vyas**  
Managing Director  
DIN: 00076289

**Devang H. Vyas**  
Non Executive Director  
DIN: 00076459

**G. M. Das**  
Director  
DIN: 00144978

**Deepali R. Pathak**  
Director  
DIN: 05217417

**Devang M. Dalal**  
Partner  
Membership No: 109049

**Debashish Bardoloi**  
Partner  
Membership No: 068018

**Mukund P. Trivedi**  
Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018



**Consolidated Statement of Profit and Loss for the year ended March 31, 2018**

Particulars	Notes	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>Income</b>			
Revenue From Operations	17	232,036,194	24,870,398
Other Income	18	8,393,456	28,620,495
<b>Total Revenue</b>		<b>240,429,650</b>	<b>53,490,893</b>
<b>Expenses</b>			
Cost of Materials Consumed	19.1	107,285,122	23,146,096
Purchases of Stock in Trade	19.2	91,489,920	3,340,579
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	19.3	1,686,197	(10,219,374)
Employee Benefits Expense	19.4	56,335,260	38,939,177
Finance Cost	19.5	58,577,657	61,537,887
Depreciation and Amortisation Expenses	19.6	35,531,207	98,547,395
Other Expenses	19.7	102,175,509	22,607,942
<b>Total Expenses</b>		<b>453,080,871</b>	<b>237,899,701</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>(212,651,221)</b>	<b>(184,408,808)</b>
<b>Exceptional Items</b>		-	-
<b>Profit/(Loss) before Tax</b>		<b>(212,651,221)</b>	<b>(184,408,808)</b>
<b>Tax Expense</b>		-	-
<b>Profit/(Loss) for the year</b>		<b>(212,651,221)</b>	<b>(184,408,808)</b>
<b>Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income</b>		<b>(212,651,221)</b>	<b>(184,408,808)</b>
<b>Earnings per equity share : (Face value of ₹ 10 each)</b>			
Basic and Diluted (Rupees)		<b>(0.28)</b>	(0.25)
<b>Significant accounting policies</b>	2		
<b>Notes to the financial statements</b>	3-34		

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

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Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018

# Prag Bosimi Synthetics Limited

## Consolidated Statement of Changes in Equity for the year ended March 31, 2018

### A Equity share capital

Particulars	Amount ₹
As at April 1, 2016	741,289,950
Changes in equity share capital during the year	—
<b>As at March 31, 2017</b>	<b>741,289,950</b>
Changes in equity share capital during the year	171,780,100
<b>As at March 31, 2018</b>	<b>913,070,050</b>

### B Other Equity

Particulars	Reserve and surplus				Total ₹
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	
<b>Balance as at April 1, 2016</b>	<b>16,700,000</b>	<b>814,625,000</b>	<b>1,315,840,499</b>	<b>(1,837,231,211)</b>	<b>309,934,288</b>
Profit/(loss) for the year	—	—	—	(184,408,808)	(184,408,808)
Transferred during the year	—	—	59,379,578	—	59,379,578
Other comprehensive income for the period	—	—	—	—	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>59,379,578</b>	<b>(184,408,808)</b>	<b>(125,029,230)</b>
<b>Balance as at March 31, 2017</b>	<b>16,700,000</b>	<b>814,625,000</b>	<b>1,375,220,077</b>	<b>(2,021,640,019)</b>	<b>184,905,058</b>
Profit/(loss) for the year	—	—	—	(212,651,221)	(212,651,221)
Transferred during the year	—	—	38,545,925	—	38,545,925
Other comprehensive income for the period	—	—	—	—	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>38,545,925</b>	<b>(212,651,221)</b>	<b>(174,105,296)</b>
<b>Balance as at March 31, 2018</b>	<b>16,700,000</b>	<b>814,625,000</b>	<b>1,413,766,002</b>	<b>(2,234,291,240)</b>	<b>10,799,762</b>

Significant accounting policies 2

Notes to the financial statements 3-34

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

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Managing Director  
DIN: 00076289

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Membership No: 109049

**Debashish Bardoloi**  
Partner  
Membership No: 068018

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Director  
DIN: 07179964

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Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018

**Consolidated Statement of Cash Flow for the year April 1, 2017 to March 31, 2018**

Particulars	Notes	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>A Cash flow from operating activities:</b>			
Loss before tax		(212,651,221)	(184,408,808)
Adjustments for:			
Excise Duty		–	(576,143)
Gain on redemption of mutual fund investment measured at FVPL		(14,031)	2,285
Interest Income		(6,107,395)	(27,145,701)
Dividend Income		(801,345)	(1,473,020)
Interest Expense		58,577,657	61,537,887
Depreciation and Amortization Expense		35,531,207	98,547,395
Operating profit/(loss) before working capital changes		(125,465,128)	(52,939,962)
Adjustments for:			
(Increase) / decrease in Inventories		(668,395)	(13,626,941)
(Increase) / decrease in Trade Receivables		(155,773,584)	(11,376,957)
(Increase) / decrease in Other Current Assets		668,771	1,578,295
(Increase) / decrease in Other Non-current Assets		455,301	(273,000)
(Increase) / decrease in Current and Non-current Loans and Advances		(4,569,337)	(20,425,082)
Increase / (decrease) in Trade Payables		68,814,116	49,789,937
Increase / (decrease) in Other Current Liabilities		9,919,353	4,690,625
Increase / (decrease) in Other Non-Current Liabilities		13,536,153	(26,393,735)
Increase / (decrease) in Provisions		16,267,925	1,143,028
<b>Cash generated from operations</b>		(176,814,825)	(67,833,792)
Taxes paid		–	–
<b>Net cash flows from operating activities</b>		(176,814,825)	(67,833,792)
<b>B Cash flow from investing activities</b>			
Purchase of Property, Plant and Equipment including Capital Work-in-progress (Net)		(119,292,117)	(223,633,196)
Sale of Current Investments (Net)		138,131,688	(225,097,715)
Interest received		6,147,066	20,226,364
<b>Net cash flows from / (used in) investing activities</b>		24,986,637	(428,504,547)
<b>C Financing Activities</b>			
Proceed from issue of share capital		15,277,840	–
Proceed/(Repayment) of Long-term Borrowings (Net)		150,243,921	98,754,728
Repayment of Short-term Borrowings (Net)		(46,286,477)	–
Received Government Grant		60,000,000	–
Interest paid		(44,453,124)	(51,229,107)
<b>Net cash flow from / (used in) financing activities</b>		134,782,160	47,525,621
<b>Net increase /(decrease) in cash and cash equivalents</b>		(17,046,028)	(448,812,718)
Cash and cash equivalents at the beginning of the year		23,893,353	472,706,071
Cash and cash equivalents at the end of the year		6,847,325	23,893,353
<b>Net increase /(decrease) in cash and cash equivalents</b>		(17,046,028)	(448,812,718)
<b>Components of cash and cash equivalents</b>			
Cash in hand		398,307	221,050
Foreign currency in hand		–	–
Balances with banks in current account		2,492,783	19,992,911
Balances in Escrow Account		2,652,276	2,375,433
Others – Margin Money Deposit		1,303,959	1,303,959
<b>Total cash and cash equivalents</b>		6,847,325	23,893,353

**Significant accounting policies  
Notes to the financial statements**2  
3 –34

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

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May 30, 2018

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Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018

### 1. COMPANY INFORMATION:

Prag Bosimi Synthetics Limited ("the company") is a domestic public limited company with registered office situated at House No.4, Nilgiri Path, R. G. Barua Road, Near Doordarshan, Guwahati – 781 024 and is listed on the Bombay Stock Exchange. The company is engaged primarily in manufacturing of Polyester Yarn.

The Company has started manufacturing factory operations with effect from 28/03/2017.

The company continued its activities in separate division Bosimi Appaarel.

### (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").

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

#### 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 year ended 31<sup>st</sup> March, 2018, which are as under:

Name of the Company	Country of Incorporation	PBSL's Ownership Interest	
		31.03.2018	31.03.2017
Prag Jyoti Textile Park Pvt. Ltd.	India	11.75%	60.87%
Prag Bosimi Texturising Pvt. Ltd.	India	100%	100%
Prag Bosimi Packaging Pvt. Ltd.	India	100%	100%

### 2. 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) Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognized as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

### (ii) Depreciation on Property, Plant and Equipment:

- (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 II of Companies Act, 2013.
- (b) Leasehold Land is amortized over the remaining period of lease.
- (c) Depreciation on additions/deductions during the year has been provided on pro-rata basis with reference to the month of addition/deduction.

### (iii) Treatment of Expenditure during construction year:

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:

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are valued at cost subject to reduction made for diminution in value that is other than temporary in nature. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

### (v) Inventories:

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any. Cost includes purchase price, duties, transport & handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

- (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 year 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 year.

### (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 year end and the resultant exchange difference is adjusted to the cost of assets.

### (viii) Government Grants and Subsidies:

Government Grants are recognized when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognized in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognized in the Statement of Profit and Loss.

### Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

**(ix) Taxes on Income:**

No provision for taxation is made as the company has incurred losses during the year and has also brought forward unabsorbed losses.

No provision for deferred taxation is made in accounts as the company has been incurring losses year after year.

**(x) Provisions and Contingent Liabilities:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

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

**(xii) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

(a) Sales are recognized on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods. It also includes excise duty (as it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not) and price variation based on the contractual agreement. It is measured at fair value of the consideration received net of sales tax/value added tax and discounts. Sales exclude self-consumption of finished goods.

(b) Income from services is recognized (net of service tax/GST as applicable) as they are rendered, based on agreement/arrangement with the concerned customers.

(c) Dividend income is accounted for when the right to receive the income is established.

(d) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(e) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the Statement of Profit and Loss.

(f) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

### 3 Property, Plant and Equipment

	Land Freehold	Land Leasehold	Building Owned	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	TOTAL
<b>Gross Carrying Amount</b>								
Deemed Cost as at 01st April, 2016	578,617	229,730	291,021,158	1,684,944,368	3,247,027	1,616,108	1,150,613	1,982,787,621
Exchange Difference	-	-	-	-	-	-	-	-
Additions	-	-	-	181,301,232	475,228	-	-	181,776,460
Reclassification as held for sale	-	-	-	-	-	-	-	-
Transfer				(1,365,789)				(1,365,789)
Disposal							-	-
<b>Balance as at 31st March, 2017</b>	<b>578,617</b>	<b>229,730</b>	<b>291,021,158</b>	<b>1,864,879,811</b>	<b>3,722,255</b>	<b>1,616,108</b>	<b>1,150,613</b>	<b>2,163,198,293</b>
Exchange Difference								
Additions			323,515	61,681,550	220,758			62,225,823
Reclassification as held for sale								-
Disposals								-
<b>Balance as at 31st March, 2018</b>	<b>578,617</b>	<b>229,730</b>	<b>291,344,673</b>	<b>1,926,561,361</b>	<b>3,943,013</b>	<b>1,616,108</b>	<b>1,150,613</b>	<b>2,225,424,115</b>
<b>Accumulated Depreciation</b>								
Additions		19,992	17,027,207	80,867,092	423,510	202,938	6,656	98,547,395
Transfer			-					-
Disposals								
Reclassification as held for sale								
<b>Balance as at 31st March, 2017</b>	<b>-</b>	<b>19,992</b>	<b>17,027,207</b>	<b>80,867,092</b>	<b>423,510</b>	<b>202,938</b>	<b>6,656</b>	<b>98,547,395</b>
Additions		19,992	15,785,967	19,103,326	452,798	162,467	6,656	35,531,207
Disposals								
Reclassification as held for sale								
<b>Balance as at 31st March, 2018</b>	<b>-</b>	<b>39,984</b>	<b>32,813,174</b>	<b>99,970,418</b>	<b>876,308</b>	<b>365,406</b>	<b>13,312</b>	<b>134,078,602</b>
<b>Net carrying amount</b>								
Balance as at 1st April, 2016	578,617	229,730	291,021,158	1,683,578,579	3,196,142	1,616,108	1,117,306	1,982,787,621
Balance as at 31st March, 2017	578,617	209,738	273,993,952	1,784,012,719	3,298,745	1,413,170	1,143,957	2,064,650,898
Balance as at 31st March, 2018	578,617	189,746	258,531,500	1,826,590,943	3,066,705	1,250,702	1,137,301	2,091,345,514

### 4 Capital Work in Progress

1st April, 2016	19,500,137
31st March, 2017	62,722,661
31st March, 2018	132,188,847

## Prag Bosimi Synthetics Limited

### Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

#### 5 Non-Current Financial Assets

##### 5.1 Non-Current Trade Receivables

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>Unsecured, Considered Good</b>			
Trade Receivables	41,797,186	5,796,941	5,508,413
	<u>41,797,186</u>	<u>5,796,941</u>	<u>5,508,413</u>
<b>5.2 Non-Current Long Term Loans</b>			
<b>Unsecured, Considered Good</b>			
Advances to Suppliers	2,761,792	2,260,630	35,262
Advances receivable in Cash/Kind	184,001,548	184,039,313	184,021,648
	<u>186,763,340</u>	<u>186,299,943</u>	<u>184,056,910</u>
<b>6 Other Non-Current Assets</b>			
Security Deposits	9,706,796	9,619,796	8,946,796
Other Non-Current Assets	2,783,531	2,768,531	3,168,531
	<u>12,490,327</u>	<u>12,388,327</u>	<u>12,115,327</u>
<b>7 Inventories</b>			
Raw Materials	16,765,864	17,144,312	13,736,745
Work-in-Progress	7,783,547	7,705,699	7,740,262
Finished Goods	41,411,969	43,176,014	32,922,077
Stores and Spares	50,380,251	47,647,212	47,647,212
	<u>116,341,632</u>	<u>115,673,237</u>	<u>102,046,296</u>
<b>8.1 Current Investments</b>			
Fixed Deposits with Bank	126,754,422	166,500,000	37,500,000
Investment in Mutual Funds	–	97,570,735	–
	<u>126,754,422</u>	<u>264,070,735</u>	<u>37,500,000</u>
<b>8.2 Current Trade Receivables</b>			
<b>Unsecured, Considered Good</b>			
Trade Receivables	131,138,099	11,364,760	276,331
	<u>131,138,099</u>	<u>11,364,760</u>	<u>276,331</u>
<b>8.3 Cash &amp; Cash Equivalent</b>			
Balances with Bank	2,492,783	19,992,911	15,311,085
Balances in Escrow Account	2,652,276	2,375,433	455,937,227
Cheques, Drafts on hand	–	–	–
Cash on hand	398,307	221,050	153,802
Others – Margin Money Deposit	1,303,959	1,303,959	1,303,959
	<u>6,847,325</u>	<u>23,893,353</u>	<u>472,706,073</u>



## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

Particulars	As on		As on	
	March 31, 2018	March 31, 2017	March 31, 2017	April 1, 2016
	₹	₹	₹	₹
<b>8.4 Current Loans and Advances</b>				
<b>Unsecured, Considered Good</b>				
Loans and Advances to Related Parties	–	–	–	–
Advances for Expenses	–	–	–	10,000
Loans and Advances to Employees	3,165,650	2,543,075	2,175,773	
Advances to Suppliers	21,823,137	21,900,311	8,426,512	
Balance with Government Authorities	20,996,301	14,049,029	9,698,080	
	<u>45,985,088</u>	<u>38,492,415</u>	<u>20,310,365</u>	
<b>9. Other Current Assets</b>				
Interest Accrued but not Due on Fixed Deposits	200,742	486,924	3,204,758	
Prepaid Expenses	1,804,286	2,623,096	1,483,557	
Preliminary Expenditure (to the extent not written off or adjusted)	378,884	378,884	378,884	
	<u>2,383,912</u>	<u>3,488,904</u>	<u>5,067,199</u>	
<b>10.1 Equity Share Capital</b>				
<b>Authorised shares :</b>				
12,00,00,000 Equity Shares of ₹10/- each with voting rights	1,200,000,000	1,200,000,000	1,200,000,000	
300,00,000 Equity Shares (Unclassified) of ₹10/- each with voting rights	300,000,000	300,000,000	300,000,000	
10,00,000 Redeemable Preference Shares of ₹100/- each	100,000,000	100,000,000	100,000,000	
90,00,000 Optionally Convertible Redeemable Preference Shares of ₹100/- each	900,000,000	900,000,000	900,000,000	
	<u>2,500,000,000</u>	<u>2,500,000,000</u>	<u>2,500,000,000</u>	
<b>Issued, subscribed and fully paid up capital :</b>				
Equity Shares of ₹10/- each with voting rights	758,496,350	744,416,250	744,416,250	
Calls in Arrears	(3,126,300)	(3,126,300)	(3,126,300)	
15,77,000 Optionally Convertible Redeemable Preference Shares of ₹100/- each	157,700,000	–	–	
	<u>913,070,050</u>	<u>741,289,950</u>	<u>741,289,950</u>	
<b>Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Particulars</b>	<b>As on 31st March, 2018</b>		<b>As on March 31, 2017</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
At the beginning of the period	74,441,625	744,416,250	74,441,625	744,416,250
Share issued during the period	1,408,010	14,080,100	–	–
Outstanding at the end of the period	<u>75,849,635</u>	<u>758,496,350</u>	<u>74,441,625</u>	<u>744,416,250</u>

# Prag Bosimi Synthetics Limited

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

### Details of shareholders holding more than 5% shares in the Company

Particulars	As on March 31, 2018		As on March 31, 2017	
	Number of Shares Held	% of holding	Number of Shares Held	% of holding
Assam Industrial Development Corporation Limited	18,377,980	24.71%	18,377,980	24.71%
Akhilesh Merchantile Private Limited	6,423,909	8.64%	6,423,909	8.64%
Devsai Investments and Finances Private Limited	4,250,000	5.71%	4,250,000	5.71%

### Terms / rights attached to equity shares

The company has only one Class of Equity Shares having a par value of ₹. 10/- per share. Each Holder of Equity Share is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of Liquidation of the company. The Holders of Equity Shares will be entitled to receive remaining assets of the Company, after payment of all external liabilities. The Distribution will be in proportionate to the number of Equity Shares.

## 10.2 Other Equity

### Reserves & Surplus

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
Capital Reserve	16,700,000	16,700,000	16,700,000
Capital Redemption Reserve	814,625,000	814,625,000	814,625,000
General Reserve	1,413,766,002	1,375,220,077	1,315,840,499
Retained Earnings	(2,234,291,240)	(2,021,640,020)	(1,837,231,211)
	<u>10,799,762</u>	<u>184,905,057</u>	<u>309,934,288</u>

## 11. Non-Current Financial Liabilities

### 11.1 Non-Current Borrowings

#### Secured

Term Loans from Financial Institution	215,000,000	227,500,000	250,000,000
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#### Unsecured

#### Debentures

Optionally Cumulative Convertible Debentures (OCCD)	568,375,000	41,545,000	112,929,500
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#### Loans

From Government	28,000,000	678,000,000	678,000,000
From Related Parties	659,991,204	554,665,793	432,842,649
	<u>1,471,366,204</u>	<u>1,501,710,793</u>	<u>1,473,772,149</u>

### 11.2 Non-Current Trade Payables

Trade Payables	37,798,954	17,107,098	23,795,235
	<u>37,798,954</u>	<u>17,107,098</u>	<u>23,795,235</u>

## 12. Non-Current Provisions

### Provisions for Employee Benefits

(i) Gratuity	11,148,926	4,543,548	5,950,565
(ii) Leave Travel Allowance	1,310,103	1,097,198	1,056,455
(iii) Other Defined Benefit Plan - Insurance	164,024	164,024	164,024
	<u>12,623,053</u>	<u>5,804,770</u>	<u>7,171,044</u>

**Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)**

Particulars	As on March 31, 2018 ₹	As on March 31, 2017 ₹	As on April 1, 2016 ₹
<b>13. Other Non-Current Liabilities</b>			
Interest Accrued on Borrowings	13,866,674	37,491,614	60,312,147
Deffered Income – Government Grant	100,000,000	40,000,000	40,000,000
Advances from Customers	37,220,850	1,824,621	1,523,300
Salary Payable	6,449,938	5,283,384	5,228,052
Other Expenses Payable	2,286,392	2,389,594	5,998,317
Security Deposits	50,610	50,610	50,610
Unpaid Dividend	738,813	–	–
Statutory Liabilites	2,617,927	2,243,761	2,564,893
	<u>163,231,204</u>	<u>89,283,584</u>	<u>115,677,319</u>
<b>14. Financial Liabilities</b>			
<b>14.1 Current Borrowings</b>			
<b>Secured</b>			
<b>Term Loans</b>			
From Financial Institution	15,000,000	50,000,000	50,000,000
<b>Unsecured Loans</b>			
<b>Others</b>			
Bank Overdraft	102,100,730	98,309,913	83,481,679
	<u>117,100,730</u>	<u>148,309,913</u>	<u>133,481,679</u>
<b>14.2 Current Trade Payables</b>			
Trade Payables	121,450,538	73,328,277	16,850,203
	<u>121,450,538</u>	<u>73,328,277</u>	<u>16,850,203</u>
<b>15. Current Provisions</b>			
<b>Provisions for Employee Benefits</b>			
(i) Gratuity	2,820,668	1,859,536	2,226,380
(ii) Leave Encashment	6,257,778	4,517,381	3,887,397
Provision for Expenses	9,381,106	2,654,944	408,782
	<u>18,459,552</u>	<u>9,031,861</u>	<u>6,522,559</u>
<b>16. Current Liabilities</b>			
Earnest Money Deposit	100,000	100,000	100,000
Retention Money	3,037,217	1,592,443	–
Advance Received against Shares	4,165,027	4,361,793	4,361,793
Interest Accrued on Borrowings	1,554,473	1,682,630	1,816,618
Advances from Customers	2,872,532	14	301,321
Salary Payable	7,159,740	7,474,940	2,722,570
Statutory Liabilites	9,082,527	2,859,051	4,077,944
Others	164,130	–	–
	<u>28,135,646</u>	<u>18,070,871</u>	<u>13,380,246</u>

## Prag Bosimi Synthetics Limited

### Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>17. Revenue from Operations</b>		
Sale of Products (Including Excise Duty)	211,963,429	16,314,998
Other Operating Revenue		
– Brokerage & Commission	13,057,487	–
– Sale of Scrap	7,015,278	8,555,400
	<u>232,036,194</u>	<u>24,870,398</u>
<b>18. Other Income</b>		
Interest Income	6,107,395	27,145,701
Dividend Income	801,345	1,473,020
Gain/(Loss) on sale/redemption of Investments	14,031	(2,285)
Other Non-operating Income	1,470,686	4,059
	<u>8,393,456</u>	<u>28,620,495</u>
<b>19.1 Cost of Materials Consumed</b>		
Raw Materials at the Beginning of the year	17,144,312	13,736,744
Add: Purchases	106,906,675	26,553,664
	<u>124,050,987</u>	40,290,408
Less: Raw Materials at the End of the year	16,765,864	17,144,312
Total Cost of Materials Consumed	<u>107,285,122</u>	<u>23,146,096</u>
<b>19.2 Purchases of Stock in Trade</b>		
Readymade Garments	8,943,174	3,340,579
Fabrics	82,546,746	–
	<u>91,489,920</u>	<u>3,340,579</u>
<b>19.3 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade</b>		
Closing Inventories		
Finished Goods	41,411,969	43,176,014
Work-in-Progress	7,783,547	7,705,699
Stock-in-Trade	–	–
	<u>49,195,516</u>	50,881,713
Opening Inventories		
Finished Goods	43,176,014	32,922,077
Work-in-Progress	7,705,699	7,740,262
Stock-in-Trade	–	–
	<u>50,881,713</u>	40,662,339
	<u>1,686,197</u>	<u>(10,219,374)</u>

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>19.4 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	53,603,094	37,416,882
Contributions to Provident and Other Funds	1,946,792	1,051,684
Staff Welfare Expenses	785,374	470,611
	<u>56,335,260</u>	<u>38,939,177</u>
<b>19.5 Finance Cost</b>		
Interest Expenses	58,577,657	61,537,887
	<u>58,577,657</u>	<u>61,537,887</u>
<b>19.6 Depreciation and Amortisation expenses</b>		
Depreciation on Plant, Property and Equipment	35,511,215	98,527,403
Amortiation of Intangible Assets	19,992	19,992
	<u>35,531,207</u>	<u>98,547,395</u>
<b>19.7 Other Expenses</b>		
Consumption of Stores and Spares	1,009,432	115,124
Power and fuel	33,641,178	4,022,686
Labour charges	12,000,919	907,237
Freight and forwarding	2,068,920	440,461
Advertisement expenses	131,021	178,045
Rent including lease rentals	3,682,444	1,639,808
Repairs and maintenance – Buildings	12,220	47,800
Repairs and maintenance – Machinery	2,255,902	388,470
Repairs and maintenance – Others	2,463,588	873,535
Insurance Expenses	2,178,337	1,872,690
Interest on delayed payment	498,013	314,382
Rates and taxes	82,072	658,965
Communication	558,818	574,621
Vehicle Expenses	1,831,355	1,276,018
Travelling and conveyance	3,934,726	2,656,086
Printing and stationery	1,444,273	1,312,974
Commission Expenses	108,644	33,775
Donations and contributions	66,402	35,173
Legal and professional	4,749,884	3,669,103
Auditors' Remuneration (See details below)	374,500	372,930
Prior Priod Expenses	23,864,753	(3,250,580)
Miscellaneous expenses	5,218,109	5,375,876
	<u>102,175,509</u>	<u>22,607,942</u>
<b>Payments made to Auditors</b>		
Statutory Audit Fees	270,750	287,930
Tax Audit Fees	103,750	75,000
Other Services	—	10,000
	<u>374,500</u>	<u>372,930</u>

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

### 20. Contingent liabilities not provided for:

Sr. No.	Particulars	As At March 31, 2018 ₹	As At March 31, 2017 ₹
a)	Counter Guarantees for Sales tax	5,000	5,000
b)	Claims against the Group not acknowledged as debts	264,208,000	316,645,000
c)	Letter of undertaking executed in favor of Joint Director General of foreign trade under Duty Exemption Entitlement Scheme (Advance License Scheme) for custom duty	13,040,682	13,040,682
d)	Letters of credit and Bank Guarantees given by bankers on behalf of the Company.	5,250,000	5,250,000

Contingent liabilities are considered only when converted into Demands.

21. 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.

22. Estimated amount of contracts remaining to be executed on capital account net of advances is ₹. Nil (Previous Year ₹. Nil).

### 23. Provision for Depreciation on Property, Plant and Equipment:

- The Company has provided depreciation in its books of accounts on its Plant and Equipment only to the extent of 10% of the value as on 1<sup>st</sup> April, 2017. This is based on the expert view that depreciation is linked to the actual user for an asset. The Company has barely used 10% of its Plant and Machinery and hence the treatment to the depreciation as permitted under Ind AS 16.
- Depreciation has not been provided on new addition to Plant and Equipment installed during the year amounting to ₹. 5,68,51,746/- as the same have not been put to use on 31.03.2018.

24. During the year, the Company invested in subsidiary company ₹.11,97,750/- (1,19,775 Equity Shares of ₹. 10/- each) [Previous Year ₹. Nil] which is reflected as Non-Current Investment in the Financial Statement.

25. Loans and Advances include ₹.82,30,880/- (Previous Year ₹. 81,99,880/-) 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.

26. 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 year.

27. 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.

28. 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.

### 29. Disclosure under Ind AS – 108 : Segment Report:

Operating Segments:

Packaging	Corrugated Box
Garment	Readymade Garment
Others	Fabric, Yarn & others

The chief operational decision maker monitors the operating results of its business for the purpose of making decisions about resource allocation and performance assessment. Operating segments have been identified on the basis of the nature of products.

Revenue and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

Assets & Liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets & Liabilities are disclosed as unallocable.

	Yarn	Packaging	Garment/ Fabrics	Others	Total
<b>REVENUE</b>					
External Revenue(₹)	8,72,95,522	1,22,86,537	11,23,81,370	2,84,66,221	24,04,29,650
Pervious year (₹)	(-)	(96,29,344)	(64,07,705)	(2,77,949)	(1,63,14,998)
<b>RESULTS</b>					
Total Segment Results	-2,86,80,144	-1,09,42,653	92,45,215	2,84,66,221	-19,11,360
Pervious year	(-)	(-27,05,215)	(-1,14,60,983)	(2,77,949)	(-1,38,88,249)
Finance CostPervious year					-5,85,77,657
					(-6,15,37,887)
Unallocable Expenses net of Unallocable IncomePervious year					-15,21,32,128
					(-10,89,82,673)
<b>Net Profit</b>					-21,26,51,221
Pervious year					(-18,44,08,808)

\*Previous Year's (2016 – 2017) figures are indicated in the bracket.

### 30. Related Party Disclosures:

a. Related Parties where control exists:

- |                                      |                                |
|--------------------------------------|--------------------------------|
| 1. Prag Bosimi Texturising Pvt. Ltd. | Wholly owned Subsidiary        |
| 2. Prag Jyoti Textile Park Pvt. Ltd. | 11.75% shareholding(Associate) |
| 3. Prag Bosimi Packaging Pvt. Ltd    | Wholly owned Subsidiary        |

b. Other Related Parties in transactions with the company:

#### Key Managerial Personnel

- |   |                               |
|---|-------------------------------|
| 1 | Mr. Hemant B. Vyas (MD)       |
| 2 | Mr. Ramesh C. Pokhriyal (CEO) |
| 3 | Mr. Raktim Kumar Das (CFO)    |
| 4 | Mrs. Madhu Dharewa (CS)       |

#### Directors

- |   |                    |
|---|--------------------|
| 1 | Ms. Deepali Pathak |
| 2 | Mr. Mukund Trivedi |

#### Directors in common

- |   |                               |
|---|-------------------------------|
| 1 | Ayodhya Vintrade Pvt. Ltd.    |
| 2 | Interlink Suppliers Pvt. Ltd. |

2. Related Parties in transaction with the company:

Particulars	For the year ended 31.03.2018 ₹	Balance as on 31.03.2018 ₹
<b>1. Remuneration</b>		
Mr. Hemant B. Vyas	7,81,230	48,95,429
	(7,81,230)	(44,73,606)
Mr. Ramesh C. Pokhriyal	21,00,000	3,48,300
	(21,00,000)	(1,04,049)
Mr. Raktim Kumar Das	15,60,000	2,30,900
	(14,10,000)	(1,75,000)
Mrs. Madhu Dharewa	6,00,000	49,050
	(2,61,881)	(1,59,533)

## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

### 2. Related Parties in transaction with the company: (Continued)

Particulars	For the year ended 31.03.2018 ₹	Balance as on 31.03.2018 ₹
<b>2. Sitting Fees</b>		
Ms. Deepali Pathak	— (2,500)	— (—)
Mr. Mukund Trivedi	— (5000)	— (—)
<b>3. Loan Received (Net)</b>		
i. Mr. Hemant B. Vyas	9,67,50,000 (6,29,10,000)	44,51,01,614 (34,83,51,614)
ii. Interlink Suppliers Pvt. Ltd.	— (5,24,00,000)	8,92,50,000 (8,92,50,000)
<b>4. Loan Repaid</b>		
Ayodhya Vintrade Pvt. Ltd.	— (—)	7,99,50,000 (7,99,50,000)
<b>5. Advances to:</b>		
i. Prag Bosimi Texturising Pvt. Ltd	18,97,972 (-13,325)	20,03,562 (1,05,590)
ii. Prag Jyoti Textile Park Pvt. Ltd.	18,68,182 (24,24,961)	62,64,455 (43,96,275)
iii. Prag Bosimi Packaging Pvt. Ltd	-5,02,297 (-28,80,668)	-21,511 (4,80,786)
<b>6. Advances from:</b>		
Prag Jyoti Textile Park Pvt. Ltd.	25,43,392 (31,27,640)	-21,14,22,062 (21,39,65,454)

\* Previous Year's (2016 – 2017) figures are indicated in the bracket.

31. During the year, the Company has entered into One Time Settlement (OTS) with Central Bank of India and United Commercial Bank in respect of their dues of holding 8% Optionally Cumulative Convertible Debentures (OCCDs). As per the agreement of OTS with the aforesaid Institutions; the details of final settlement and payments made are as follows:

Name	Principal Amount of 8% OCCDs (₹ in Crores)	Settlement Amount (₹ in crores)	Principal Amount waived (₹ in crores)	Amount of Interest accrued and due waived (₹ in crores)
Central Bank of India	0.93	0.19	0.74	0.45
United Commercial Bank	0.76	0.22	0.54	0.38
<b>Total</b>	<b>1.69</b>	<b>0.41</b>	<b>1.28</b>	<b>0.83</b>

Therefore, the remaining balance of OCCD amounting ₹ 1.28 Crores and interest accrued and due amounting ₹ 0.83 Crores aggregating ₹ 2.11 crores being non payable to the above referred Institutions are transferred to General Reserve as per the company's policies.

32. Prag Bosimi Synthetics Ltd (Holding Company) has two subsidiaries company viz Prag Bosimi Texturising Pvt. Ltd. and Prag Bosimi Packaging Pvt. Ltd. Both these companies are non-operating and non revenue generating. Therefore certain operating expenditure incurred by the company are absorbed by the holding Company. Accordingly such expenses incurred during the year are absorbed.



## Notes to and forming part of the Consolidated Financial Statements as on and for the year ended March 31, 2018 (Contd.)

### 33. Earnings per Share:

Earnings per Share	31.03.2018	31.03.2017
Net profit /(loss) as per P/L Account (₹)	(21,26,51,221)	(18,44,08,808)
Weighted average number of equity shares outstanding (Numbers)	75,84,96,350	74,44,16,250
Basic and diluted earnings per share (Face value ₹ 10/- per Share)	(0.28)	(0.25)

### 34. Previous Year Comparatives:

Previous Year's figures of the Company have been regrouped / reclassified / rearranged wherever necessary, to conform to this year's classification.

The accompanying notes are integral part of these financial statements

For and on behalf of Board of Directors of Prag Bosimi Synthetic Limited

**For M.H. Dalal & Associates**  
Chartered Accountants  
Firm Registration No: 112449W

**For AMD & Associates**  
Chartered Accountants  
Firm Registration No: 318191E

**Hemant B. Vyas**  
Managing Director  
DIN: 00076289

**Devang H. Vyas**  
Non Executive Director  
DIN: 00076459

**G. M. Das**  
Director  
DIN: 00144978

**Deepali R. Pathak**  
Director  
DIN: 05217417

**Devang M. Dalal**  
Partner  
Membership No: 109049

**Debashish Bardoloi**  
Partner  
Membership No: 068018

**Mukund P. Trivedi**  
Director  
DIN: 07179964

**Raktim Kumar Das**  
Chief Financial Officer

**Madhu Dharewa**  
Company Secretary

Mumbai  
May 30, 2018

# Prag Bosimi Synthetics Limited

## ANNEXURE-I

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

	Unit	For the twelve months period ended 31.03.2018		For the twelve months period ended 31.03.2017	
		Quantity	Amount	Quantity	Amount
a. Opening Stock			₹		₹
Yarn	MT	122.97	9,539,143	120.79	9,345,599
Readymade Garment	Pcs	30,694.00	10,060,393		
Others					
b. Purchases					
Fabric	MTRS	2,242,309	82,546,746		
Readymade Garment	Pcs	28,626	8,943,174	8936	3,340,579
Others					
c. Actual Production/Processed					
Transfer from raw material	MT	153.85			
Yarn (net of captive consumption)	MT	733.53		4.96	
Garments	Pcs				
d. Sales					
Yarn	MT	869.19	87,906,614	2.78	277,949
Fabric	MTRS	2,242,309	97,411,903	–	
Readymade Garment	Pcs	45,584	14,899,257	14,572	6,407,705
Others			11,745,655		9,629,344
Transfer to Raw Material	MT				
e. Closing Stock					
Yarn	MT	141.16	19,947,651	122.97	9,539,143
Readymade Garment	Pcs	13,736	3,118,341	30,694.00	10,060,393
Others			–		–
Polyester chips	MT				
Others					
<b>B. (i) Details of Raw Materials Consumed</b>					
Polyester chips	MT	368.00	25,913,111	32.00	2,296,960
Yarn Purchases	MT	571.00	51,982,344	4.96	406,077
Others			29,389,667		20,443,058
Total		–	107,285,122	–	23,146,096

### (ii) Details of value of imported and indigenous Raw Material, Components consumed and percentage of each to the total consumption

	For the twelve months period ended 31.03.2018		For the twelve months period ended 31.03.2017	
	%	Amount	%	Amount
		₹		₹
Raw Materials				
– imported	–	–	–	–
– indigenous	100	–	100	–
	100	–	100	–
Others				
– imported				
– indigenous	100	–	100	–
	100	–	100	–

	For the twelve months period ended 31.03.2018		For the twelve months period ended 31.03.2017	
	%	Amount	%	Amount
<b>C. Auditors' remuneration includes:</b>		₹		₹
Audit Fees		270,750		287,930
Certification Fees		103,750		75,000
Fees for Taxation matter				10,000
		<b>374,500</b>		<b>372,930</b>
<b>D. Licenced &amp; installed Capacity</b> (as certified by the Management)				
			<b>As at 31-Mar-18</b>	
	Units	Licenced Capacity	Installed Capacity	
Polyester Filament Yarn	TPA	25,000	<b>36,000</b>	
Draw Texturising Machines	Nos		<b>2</b>	
Cone Winding Machine	Nos		<b>1</b>	
Dyeing Machine	Nos		<b>1</b>	
		₹		₹
<b>E. Expenditure in Foreign Currency (On actual payment basis)</b>				
i) Technical Services		-		-
ii) Other matters		-		-

## ANNEXURE-II

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

i. Registration Details			
Registration No	2758	State Code	
Balance Sheet Date	31-Mar-18		
ii. Capital raised during the year (Amount in rupees thousands)			
Public issue	Nil	Rights issue	
Bonus issue	Nil	Private Placement	
iii. Position of Mobilisation and Deployment of Funds(Amount in rupees thousands)			
Total liabilities	2,89,40,35,692	Total assets	2,89,40,35,692
Sources of funds			
Paid up Capital	91,30,70,050	Reserves & Surplus	1,07,99,762
Non-current liabilities	1,68,50,19,414	Current liabilities	28,51,46,465
Application of Funds:			
Net Fixed Assets&CWIP	2,22,35,34,360		
Non-Current Investments	-	Current Investments	12,67,54,422
Non-current assets	24,10,50,854	Current assets	30,26,96,056
iv. Performance of Company (Amount in rupees thousands)			
Turnover (including other income)	24,04,29,650	Total Expenditure	45,30,80,871
Profit/(Loss) Before Tax	(21,26,51,221)	Profit/(Loss)After Tax	(21,26,51,221)
v. Generic Name of the Principal Products of the Company		Earning Per Share	(0.28)
Item Code No.(ITC Code)	5402.42		
Product Description	Polyester Filament Yarn (PFY)		Polyester Filament Yarn (PFY)

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# Prag Bosimi Synthetics Limited

CIN: L17124AS1987PLC002758

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

## ATTENDANCE SLIP

Name of Member(s)	
Name of Proxy	
Folio No. / *DP Id and Client Id	

\* Applicable for investors holding shares in electronic form

I / We hereby record my / our presence at the 26<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Monday, 24th September 2018 at House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati 781 024 Assam. at 11.30 a.m.

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

### NOTES

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Joint shareholder may obtain additional attendance slip at the venue of the meeting

TEAR HERE

# Prag Bosimi Synthetics Limited

CIN: L17124AS1987PLC002758

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

Form No. MGT- 11

## PROXY FORM

[Pursuant to section 105(6) of the Company Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):		E-mail id:	
Registered address:		Folio No./ *Client id: *DP id:	

\*Applicable for investors holding shares in electronic form

I/We, being the member(s) of \_\_\_\_\_ Shares of Prag Bosimi Synthetics Limited, hereby appoint:

1. Name		E-mail id:	
Address		Signature	

or failing him

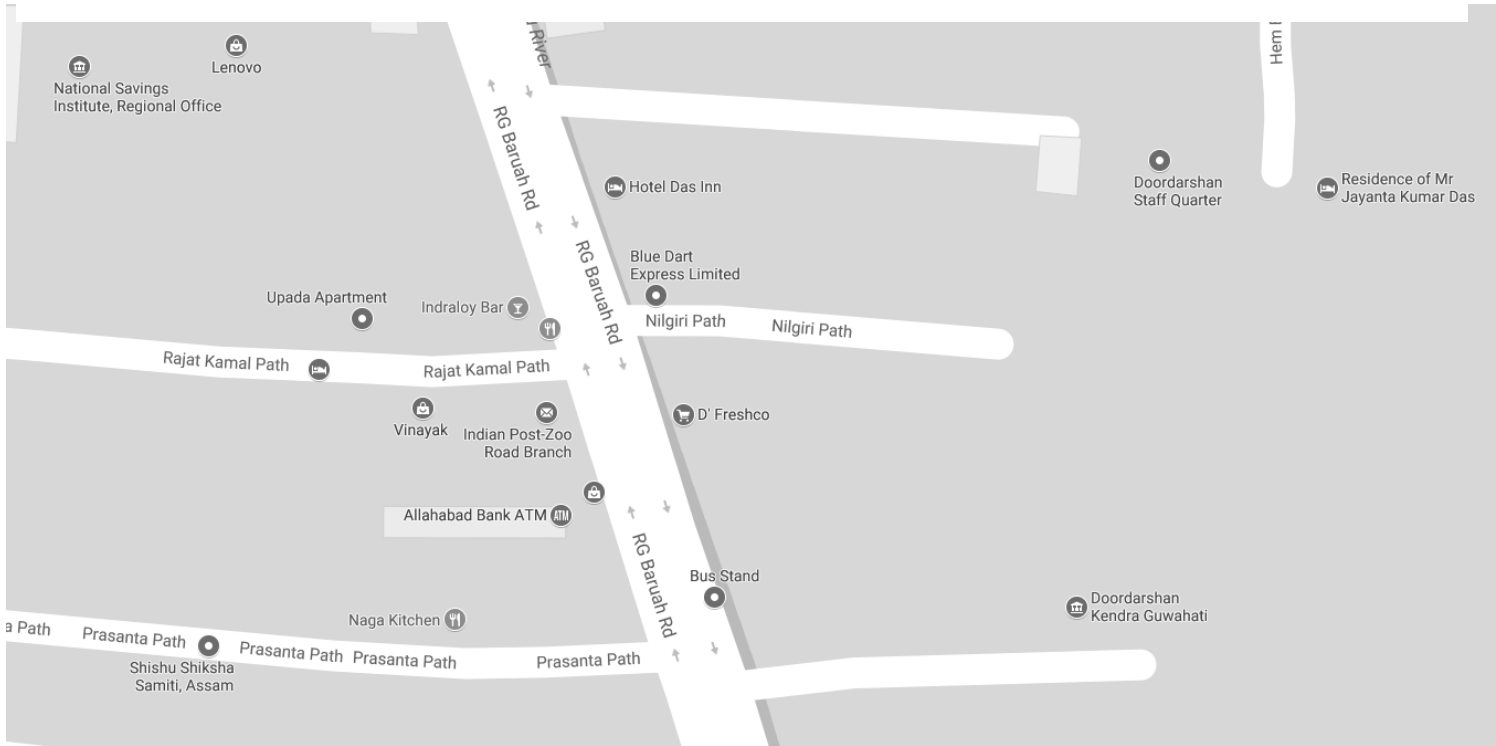
2. Name		E-mail id:	
Registered		Signature	

or failing him

3. Name		E-mail id:	
Registered		Signature	

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 26<sup>th</sup> ANNUAL GENERAL MEETING of the Company on Monday, September 24, 2018 at 11.30 a.m. at House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati 781 024 Assam. and at any adjournment thereof in respect of such resolutions as are indicated below:-

## Route Map for the Venue of the Annual General Meeting



..... TEAR HERE .....

Sr. No.	Resolutions	For	Against
1	Consider and adopt		
	a) Audited Financial Statement, Reports of the Board of Directors and Auditors		
	b) Audited Consolidated Financial Statement		
2	Re-appointment of Shri Devang H. Vyas, retiring by rotation		
3	Ratification of Auditors and fixing their remuneration		
4	Alteration of the object clause of the Memorandum of Association of the Company		
5	To Change of Registrar and Share Transfer Agent of the Company		

Signature of Shareholder \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix  
Revenue  
Stamp

**Notes:** This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**PRAG BOSIMI SYNTHETICS LIMITED****CIN: L17124AS1987PLC002758**

Regd. House No. 4, Niligiri Path , R.G. Barua Road, Near Doordarshan, Guwahati - 781024  
 Tel : +91 22 22660300/301, Email : [secretarial@bosimi.com](mailto:secretarial@bosimi.com); Website : [www.pragbosimi.co.in](http://www.pragbosimi.co.in)

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., Phone no. and E-mail id in our records. We would also like to update your current signature records in our system to have better services in future.

To achieve this we solicit your co-operation in providing the following details to us:

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following:

Folio No.	:	
PAN No.	:	
E-mail ID	:	
Telephone Nos. with STD Code	:	+91
Name and Signatures	:	1.
		2.
		3.

Thanking you,

For Prag Bosimi Synthetics Limited

**Madhu Dharewa**

Company Secretary & Compliance Officer

TEAR HERE

**By Post / Courier**

If undelivered, please return to :-

**Prag Bosimi Synthetics Limited**  
R-79/83, Laxmi Insurance Building,  
5th Floor, Sir P. M. Road,  
Mumbai 400 001.