



THE PRAG BOSIMI SYNTHETICS LIMITED

20th Annual Report

2009 - 2010

THE PRAG BOSIMI SYNTHETICS LIMITED

BOARD OF DIRECTORS

Shri H.K. Sharma, IAS
Chairman

Shri Hemant B. Vyas
Managing Director

Shri Devang H. Vyas
Director

Shri Samir Kumar Saha
Whole Time cum Finance Director

Shri B.P. Muktieh
Nominee, IDBI

Shri M.K. Das

Shri Girindra Mohan Das

Shri N. G. Vedak

Dr. M.K. Sinha
(Upto 26/04/2011)

COMPANY SECRETARY

Ms. Melvita Almeida

AUDITORS

M/s H. Khaund & Co.
Chartered Accountants
Guwahati

M/s Bharat Shroff & Co.
Chartered Accountants
Mumbai

BANKERS

Bank of Baroda

Indusind Bank Limited

IDBI Bank Limited

REGISTERED OFFICE

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

PLANT

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

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

NOTICE

Notice is hereby given that the 20th Annual General Meeting of The Prag Bosimi Synthetics Limited will be held at 04:30 p.m. on Tuesday the 28th June, 2011 at Hotel Landmark, Dr. R. B. Barooah Road, Ulubari, Guwahati 781007 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 30th September, 2010 and Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Girindra Mohan Das, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Devang H. Vyas, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 224A of the Companies Act, 1956 M/s. H. Khaund & Company, Chartered Accountants (Registration No.307031E) and M/s. Bharat Shroff & Company, Chartered Accountants (Registration No.131026W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus traveling, living and out of pocket expenses actually incurred by the Auditors in connection with the audit work.”

By order of the Board of Directors

PLACE: Guwahati
DATE: 31st May, 2011

Melvita Almeida
Company Secretary

I. NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A proxy form duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. The relative Explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 relating to Item No. 4 of the notice is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will be closed from 21st June, 2011 to 28th June, 2011 (both days inclusive).
5. 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.
6. 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.

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7. 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.
8. 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.
9. Members/ Proxies attending the meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copy of the Annual Report.
10. Members are informed that in accordance with Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by Ministry of Corporate Affairs, Government of India, henceforth, the Company is proposing to send documents like Notice of General meeting, Audited Financial Statements, Directors Report, Auditors Report and other documents/ communications to the members in electronic form by E-mail.

Members holding shares in dematerialized form are requested to register their e-mail addresses with the Depository Participants or alternatively they may register their E-mail Addresses by sending an E-mail at **bosimigogreen@sharexindia.com**.

Members holding shares in physical form are also requested to register their E-mail addresses by sending an E- mail at **bosimigogreen@sharexindia.com**.

II. Details of Directors seeking appointment or reappointment in the Annual General Meeting fixed on Tuesday, 28th June, 2011.

(In pursuance to Clause 49 to the Listing Agreement)

Name of the Director	Shri Girindra Mohan Das	Shri. Devang H. Vyas
Date of Birth	01 st January, 1947	12 th May, 1969
Date of appointment	20 th November, 2004	03 rd July, 2000
Qualification	B. E. Electrical	Chemical Engineer M.B.A. Finance
Expertise in specific functional area	Engineering	Management, Administration and Finance
List of Outside Directorships held*	Nil	6
Chairman or members of the Committee of the Board of Directors of other Companies*	Nil	Nil

***Note:** Excludes Chairmanship/ Membership in Committees of Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Excludes Committees other than Audit Committee and Shareholders' Grievance Committee.

EXPLANATORY STATEMENT

(Pursuant to the provision of section 173 (2) of the Companies Act, 1956)

The following Explanatory Statements set out all the material facts relating to the business mentioned in the notice: -

Item No. 4:

Section 224A of the Companies Act 1956, provides for the appointment or reappointment at each Annual General Meeting of an auditor or auditors of a Company by a Special Resolution, if the Company is one in which not less than 25% of its subscribed share capital is held singly or in any combination thereof, by the Public Financial Institutions, Government Companies etc. The holdings of these aforesaid companies and institutions in the Company exceed 25 % of its subscribed share capital and hence the re-appointment of M/s H. Khaund & Co., Chartered Accountants and M/s Bharat Shroff & Co., Chartered Accountants, as Auditors of the Company is required to be made by a Special Resolution. As required under Section 224 of the Act, certificate has been received from them to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Act. The Shareholders' approval is also being sought to authorise the Board of Directors to determine the remuneration payable to the Auditors in consultation with them.

By order of the Board of Directors

PLACE: Guwahati

DATE: 31st May, 2011

Melvita Almeida

Company Secretary

THE PRAG BOSIMI SYNTHETICS LIMITED

DIRECTORS' REPORT

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

The Directors have pleasure in presenting the 20th Annual Report and Accounts for the 12 months year ended on 30th September, 2010. The performance of the company is summarized below:

Particulars	₹ in Crores)	
	12 months ended 30 th September, 2010	18 months ended 30 th September, 2009
Gross Turnover	0.00	0.01
Turnover net of Excise duty	0.00	0.01
Profit / (Loss) before Depreciation, Interest and Taxation	(13.18)	(5.79)
(Add)/Less: Interest	(1.00)	(0.12)
(Add)/Less: Depreciation	(13.42)	(5.39)
Profit/(Loss) after Depreciation, Interest and Taxation	(27.60)	(11.31)
Add/(Less): Income/ Expenses of prior years	(0.12)	52.74
Profit (Loss) for the period	(27.72)	41.43
Add/ (Less) Loss Brought forward from the Previous year	(69.76)	(111.19)
Total Loss carried forward to next year	(97.48)	(69.76)

Your directors report that your company has completed the Corporate Debt Restructuring (CDR) Settlement by allotment of 8% Optionally Cumulative Convertible Debentures (OCCDs) for ₹ 57,52,17,500/- to various Financial Institutions, Banks and Insurance companies.

As the CDR process is now completed, your directors have initiated to move to the Honorable High Court for cancellation of Cumulative Convertible Preference Shares (CCP), Redeemable Cumulative Convertible Preference Shares (RCCP). Such cancellation will result in Capital Redemption Reserve of ₹ 81,46,25,000/- which will be used to adjust the carry forward loss; subject to approval of High Court.

Your plant is now ready to restart production subject to availability of working capital. We are confident that need based working capital will be available shortly from the banking system and thereafter your company will restart production. Your directors expect that your company will achieve full capacity utilisation shortly after it restarts production.

To ensure smooth functioning in future, the company has taken necessary steps for the purpose of expansion of capacity/modernisation/refurbishing. The company has taken following major steps for revival and smooth functioning/expansion:

- Company has appointed various technical consultants for refurbishing of entire plant. Entire refurbishment work has been completed satisfactorily.
- Restoration of 132 KVA dedicated High Tension Power supply by ASEB at site with required transformers.

- Installation of new UPS System with Battery bank for uninterrupted power supply.
- The company is also in process of de-bottlenecking and installation of new spinning line.
- The company is in the process of installing new Ultra Modern High Speed Texturising Machines of reputed manufacturers.
- The company is also in the process of installing :-
 - One number of EMS Inventa Line with 16 positions of 8 ends each (Total 128 ends)
 - One number Micro Spinning Line with 24 positions of 6 ends each (Total 144 ends)
- Expansion and modernisation of its auxillary units viz. injection moulding and corrugated box unit.
- Installation of necessary additional utility supports system, Cooling Tower, Water Treatment Plant, Chillers, etc.
- Recruitment of senior personnel and other necessary manpower.
- Revival of Agents/Dealers Network for sale of products manufactured.

Your company has undertaken total capital outlay of ₹ 45-50 crores approx. for achieving modernisation/expansion/revival process. The company has committed for spending necessary amount for the said purpose.

Your company has formed a wholly owned subsidiary company for implementing the Textile Park Project. The Company approached Assam Industrial Development Corporation Limited to set up a Textile Park on the surplus land available with the company and has now received a formal approval to set up a Textile Park. Total cost of the project will be ₹ 50 crores to be financed by way of grant of ₹ 40 crores from Government of India. Prag Bosimi's contribution to the tune of ₹ 10 crores will be in form of land. Thus, your company will not have any financial burden on this account. When the Textile Park will be in operation, it will be in a position to absorb substantial production of PBSL. Eventually, this will reduce Prag Bosimi's Marketing, Selling & Transportation costs. Detailed Project Report (DPR) for the Textile Park has been submitted to Textile Ministry, Government of India. We are in constant touch with the Ministry and your company expects approval shortly.

All the above measures will go a long way to improve your company's financial viability independent of North East Industrial Policy.

As required under Corporate Governance, the Management's Discussion and Analysis Report which is forming a part of this report is a reflection of the current state of business. It also deals with opportunities and threats faced by your Company and the future outlook.

DIVIDEND:

Due to financial loss your directors have not recommended any dividend for the said year.

DIRECTORS:

Shri. Girindra Mohan Das and Shri. Devang H. Vyas, Directors of the Company, retire by rotation and being eligible, offers themselves for re-appointment at the

ensuing Annual General Meeting (AGM). Pursuant to Clause 49 of the Listing Agreement, the detailed profile of the Directors retiring by rotation is provided in the Notice convening the Annual General Meeting.

Dr. M. K. Sinha has resigned from the Board w.e.f. 26th April, 2011. The Board takes this opportunity to place on record its appreciation of the service rendered by him as a Director of the Company during his tenure.

PUBLIC DEPOSITS:

The Company has not accepted any Public Deposits under section 58A of the Companies Act, 1956 during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of statement of accounts, the applicable accounting standards have been followed and that there are no material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) The Directors have prepared the accounts on a going concern basis.

CORPORATE GOVERNANCE:

The Company has taken steps to comply with the mandatory provisions of clause 49 of the Listing Agreement and a separate report on Corporate Governance is enclosed.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis forming part of this report is given separately.

PERSONNEL:

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

SUBSIDIARIES:

The Company has wholly owned subsidiary companies; the Consolidated accounts of these Subsidiary Companies have not been attached to this Annual Report as the Incorporation of the Subsidiary Companies is after the year ended 30th September, 2010.

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

The information required under section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, and foreign exchange earnings and outgo is given in Annexure forming part of this report.

APPOINTMENT OF COMPANY SECRETARY:

Pursuant to the requirement under Section 383A of the Companies Act, 1956 with respect to the appointment of Company Secretary, the Company has appointed Ms. Melvita Almeida an Associate Member of The Institute of Company Secretaries of India (ICSI) as a Company Secretary of the Company with effect from 14th April, 2011.

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

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

AUDITORS:

M/s. H. Khaund & Company, Chartered Accountants, Guwahati and M/s Bharat Shroff & Company, Chartered Accountants, Mumbai; Auditors of the Company will retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment. The Company has received a certificate from both the Audit firms to the effect that their re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

APPRECIATION:

Your Directors take this opportunity to offer their sincere thanks to the Government of India, Government of Assam, AIDC, IDBI, Standard Chartered Bank, IFCI Ltd, LIC, UTI, GIC & its subsidiaries, SBI, NEDFI, Allahabad Bank, Bank of Baroda, Central Bank of India, UCO Bank, Indusind Bank, North East Frontier Railways, Srei Infrastructure Finance Limited and our valued investors for their unstinted support and assistance and look forward to their continuing support and encouragement in enabling Company to realise its vision of brighter tomorrow and ushering in of rapid economic development of Assam and the Northeast region.

Your Directors also wish to place on record deep appreciation of the dedicated and sincere efforts put in by the employees of the Company at all levels.

By order of the Board of Directors

PLACE: Guwahati

(Hemant B. Vyas)

(S.K. Saha)

DATE: 31st May, 2011

Managing Director

Whole Time cum Finance Director

**ANNEXURE TO THE DIRECTORS' REPORT
CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION, FOREIGN EXCHANGE
EARNINGS/ OUT GO:**

FORM A

(A) POWER AND FUEL CONSUMPTION	CURRENT PERIOD	PREVIOUS PERIOD
Particulars		
1. Electricity:		
Purchased:		
(a) No of Units	N.A	N.A
(b) Total Amount (₹)	N.A	N.A
(c) Rate/Unit (₹)	N.A	N.A
Own Generation:		
Through Diesel generators		
(a) No. Of Units:	N.A	N.A
(b) Unit per litre of Diesel	N.A	N.A
(c) Cost/Unit (₹)	N.A	N.A
Through steam turbine generation		
No. of Units:	N.A	N.A
Unit per litre of Fuel oil/Gas	N.A	N.A
Cost/Unit	N.A	N.A
2. Coal (specify quality and where used)	N.A	N.A
Quantity:	N.A	N.A
Total cost	N.A	N.A
Average Rate	N.A	N.A
3. Furnace Oil:		
Quantity (KL)	N.A	N.A
Total Amount (₹)	N.A	N.A
Average Rate (₹)	N.A	N.A
4. Steam:		
Quantity in Tons:	N.A	N.A
Total Cost: (₹)	N.A	N.A
Rate per Ton (₹)	N.A	N.A
Consumption per unit of production		
Electricity per K.G. Yarn in No of Units	N.A	N.A
Furnace Oil (Litre)	N.A	N.A
Coal	N.A	N.A
Steam in K.G. per K.G of Yarn	N.A	N.A
B. FOREIGN EXCHANGE EARNINGS/OUTGO:		
Particulars	(₹)	(₹)
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

(Hemant B. Vyas)
Managing
Director

(S.K. Saha)
Whole Time
cum Finance Director

PLACE: Guwahati
DATE: 31st May, 2011

Management Discussion and Analysis

Overview

The global economies are well on their way to recovery after seeing the recession in past couple of years. The India Polyester Segment is maintaining a Compounded Annual Growth Rate (CAGR) of more than 10% for the past two years, inspite of the recession in global economy and it is capable of exceeding its growth after recovering from recession. It is expected that the demand for polyester products will increase substantially due to rise in price of cotton.

Polyester Sector Outlook

The demand of Polyester in 2009-10 has gone up due to growing domestic demand and polyester price competitiveness as compared to cotton. The recovery in economy improved the overall textile sentiments. Polyester fibre has made further inroads into garments and textile industries due to higher cotton prices. The polyester sector has also scope for progress in non-woven and technical textile applications.

Polyester Filament Yarn

The Polyester fibre outlook seems to be extremely positive since an increase in demand is seen due to rising demand driven by higher GDP, easy availability of raw material, spiraling cotton prices due to tightness in global cotton availability, rising young population and richer middle class attributing to improved domestic markets.

Opportunities

The Prag Bosimi Synthetics Limited (PBSL) is the only Polyester yarn plant in the entire North east as well as West Bengal, Bihar, Orissa, UP and Punjab and thus it has a huge domestic market at its disposal. Being located in Assam, PBSL can explore the SAARC countries market like Bangladesh, Myanmar, Nepal, Bhutan, etc. Countries like Bangladesh and Sri Lanka have huge demand for POY. Further, SAFTA agreement makes the member countries extremely viable option for Exports and PBSL is expected to derive benefit from them due to its location in Assam.

Being located in North East, PBSL enjoys various incentives given to the industries under North East Industrial Policy. PBSL has also received a formal approval from Assam Industrial Development Corporation Limited to set up a Textile Park. The implementation of Textile park project is progressing satisfactorily.

Challenges, Risk and Concerns

The yarn produced by PBSL is an intermediary product, and is dependent on other segments of industry in value chain. The other threats to the segment in which the Company operates are pricing of raw materials. The Company is focused on overcoming the threats and challenges and take advantage of the opportunities it has.

Future Outlook

According to Goldman Sachs, India is expected to become the world third largest economy by 2035. The various measures taken by the Government, huge domestic markets, opportunities of exports to SAARC countries are the key growth factors for PBSL. The long term outlook of the company remains positive. All set to restart its plant, PBSL is expected to start production and also earn profits in near future besides increasing its capacity and introducing value added products.

REPORT ON CORPORATE GOVERNANCE:**Management Philosophy:**

Your Company's vision is far reaching befitting its status as a joint sector undertaking promoted for rapid industrial development of the state by the Government of Assam through Assam Industrial Development Corporation. PBSL is a pioneering unit of its type in the North East and corporate vision is to act as a nucleus for development of textile related industries in this region. PBSL is committed to catalyzing industrial growth in Assam by providing impetus and foundation for downstream, ancillary and related industries, which will boost employment and entrepreneurship. Corporate actions will optimize the interest of all stakeholders - shareholders, customers, employees, suppliers and society at large. The Company has complied with stipulations laid down in clause 49 of the Listing Agreement as stated below:

Board of Directors:**Composition of the Board**

The Company's Board of Directors is broad based, and meets the composition criteria. As on 30.09.2010, the PBSL Board consisted of Nine Directors, two of whom, including Managing Director are Whole-Time Directors. The remaining seven Directors are Non- Executive Directors. The composition of the Board of Directors during the year ended 30th September, 2010 was as under: -

Sr. No.	Name of Director	Category	Board meetings attended during the period	Whether attended last AGM	Directorships held in other Public companies incorporated in India.
1	Shri. H.K. Sharma, IAS Chairman	Nominee of AIDC- the Promoter Non Executive & Independent Director	6	No	16
2	Shri. Hemant B. Vyas	Managing Director & Promoter of the Company	10	Yes	17
3	Shri. Devang H. Vyas*	Non Executive Director	4	No	6
4	Shri. Samir Kumar Saha	Whole Time cum Finance Director	7	Yes	2
5	Shri. B. P. Muktieh	IDBI Bank Nominee. Non Executive and Independent Director	0	No	-
6	Shri. M. K. Das	Nominee-AIDC-promoter of the Company.	6	Yes	2
7	Shri. Girindra Mohan Das	Nominee- Assam State Electricity Board- Non Executive and Independent Director	7	No	-
8	Shri. N. G. Vedak	Non- Executive and Independent Director	1	No	-
9	Dr. M. K. Sinha	Non- Executive and Independent Director	0	No	2

During the year, 10 meetings of directors were held.

Independent Director means a Director who, apart from receiving Director's remuneration, does not have any other material pecuniary relationship or transactions with the Company, its promoters, its management,

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or its subsidiaries, which in the judgment of the Board may affect the independence of the judgment of the Director.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

* Shri. Hemant B. Vyas and Shri. Devang H. Vyas are related to each other as father and son respectively.

Directors who ceased during the period

Name of Director	Category	Board meetings attended during the period	Whether attended last AGM	Directorships held in other Public companies incorporated in India.
Dr. M. K. Sinha (upto 26.04.2011)	Non Executive & Independent Director	0	No	2
Shri. B. H. Bachkaniwala (upto 22.08.2010)	Non Executive & Promoter of the Company	0	No	5

Board Meetings and Attendance

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

Sr No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	30 th October 2009	9	3
2.	29 th December, 2009	9	5
3.	30 th January, 2010	9	3
4.	30 th March, 2010	9	4
5.	02 nd May, 2010	9	5
6.	15 th July, 2010	10	5
7.	14 th August, 2010	10	4
8.	29 th August, 2010	9	4
9.	10 th September, 2010	9	4
10.	18 th September, 2010	9	4

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 feed back 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.

Committees of the Board:

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

A. Audit Committee

The Company has an Audit Committee of the Board comprising following Directors

1. Dr. M.K. Sinha (Resigned on 26/04/2011)
2. Shri. M.K. Das
3. Shri. G. M. Das

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

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

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

The Committee has powers similar to those stated in the listing agreements and exercises most of the functions in line with the requirements of the code of Corporate Governance. The details of the Audit Committee meeting held during the period ended on 30th September, 2010 are as under:

Audit Committee Meetings

Sr. No	Date of Audit Committee Meeting	Committee Strength	No. of Members Present
1.	30 th October, 2009	3	2
2.	30 th January, 2010	3	2
3.	02 nd May, 2010	3	2
4.	14 th August, 2010	3	2

Audit Committee Attendance.

Sr. No	Directors	No. Of Meetings
1	Dr. M.K. Sinha	-
2	Shri. M.K. Das	4
3	Shri. G. M. Das	4

B. Share Transfer Committee

The Company has a Committee of Directors designated as "Share Transfer Committee" to look into various matters pertaining to share transfer, issue of duplicate share certificates. The members of this committee are: Shri Hemant B, Vyas, Managing Director, Shri Devang H. Vyas, Non Executive Director and Shri B. H. Bachkaniwala, Non Executive Director. Due to the Resignation of Shri B. H. Bachkaniwala, Non Executive Director on 29th August, 2010 in his place Shri. S. K. Saha, Whole time cum Finance Director is the member of the committee from that date.

C. Shareholders/Investors Grievance Committee:

The Board of Directors of the Company has constituted a Shareholder/ Investors Grievance Committee, comprising of the following Directors/ Secretary:-

- 1) Shri Hemant. B.Vyas
- 2) Shri Devang H.Vyas
- 3) Dr. M.K.Sinha (Resigned on 26/04/2011)
- 4) Ms Melvita Almeida (Company Secretary) (Inducted w.e.f. 16/05/2011)

Company Secretary also acts as a Secretary to the Committee.

Details of Remuneration paid/ accrued/credited to the Directors during the twelve months year ended 30th September, 2010

Sr.No.	Name of the Director	Salary	Perquisites & other benefits	Performance Bonus/Commission	Sitting Fee	Total
1.	Shri. H.K. Sharma, IAS	-	-	-	-	-
2.	Shri. Hemant B. Vyas	375000	381111	-	-	756111
3.	Shri. Devang H. Vyas	-	-	-	-	-
4.	Shri. Samir Kumar Saha	465000	16000	-	-	481000
5.	Shri. B. P. Muktieh	-	-	-	-	-
6.	Shri. M. K. Das	-	-	-	-	-
7.	Dr.M. K. Sinha (Resigned on 26.04.2011)	-	-	-	-	-
8.	Shri. Girindra Mohan Das	-	-	-	-	-
9.	Shri. N. G. Vedak	-	-	-	-	-

* Perquisites comprise of H.R.A, Reimbursement of medical expenses and Leave Travel Assistance.

THE PRAG BOSIMI SYNTHETICS LIMITED

Means of Communication

Annual Reports are sent to shareholders in the time prescribed under the Companies Act 1956. The interested members are supplied requested information promptly.

Details of last three Annual General Meetings: -

Year	Location	Date	Time
2008-2009	Hotel Landmark, Dr.R.B. Barooah Road, Ulubari, Guwahati 781 007	16th December, 2010	4.00 p.m.
2006-2008	Hotel Landmark, Dr.R.B. Barooah Road, Ulubari, Guwahati 781 007	15th September, 2009	5.00 p.m.
2005-2006	Hotel Landmark, Dr.R.B. Barooah Road, Ulubari, Guwahati 781 007	30th March, 2007	4.00 p.m.

Disclosures

- There has been no non-compliance penalties/ strictures imposed on the Company by stock exchange (s) or SEBI, on any matter related to capital markets, during the last three years,
- There are no materially significant related party transactions, which may have potential conflict with interests of the Company at large.
- There are no pecuniary relationships or transactions with the non - executive independent directors.

Shareholders Information

1. Annual General Meeting:-

Date : 28th June, 2011

Time: 04:30 p.m.

Venue: Hotel Landmark, Dr. R. B. Barooah Road, Ulubari, Guwahati 781007.

2. Book Closure Date:

From 21st June, 2011 to 28th June, 2011 (both days inclusive)

3. Share Transfer Agent:

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

4. Investors Correspondence

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

Registrar and Share Transfer Agents:

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

Corporate Office:

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

Registered Office:

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

5. Listing on Stock Exchanges: -

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

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

6. Shareholding Pattern of the Company as on 30th September, 2010

Category	No. Of Shares held	% age of Share
A PROMOTER'S HOLDING: Indian promoters, relatives and associates	33510879	45.05
B NON- PROMOTERS HOLDING a) Mutual Funds b) Banks, Financial Institutions, Insurance Companies, Central/ State Govt. Institutions/ Non - Government Institutions (including Foreign Financial Institutions]	101700	0.14
C) FIIS	Nil	Nil
D] Others:- Corporates bodies Indian Public NRI Clearing Members	9465931 28573630 2626259 103561	12.73 38.41 3.53 0.14
TOTAL	74382960	100.00

7. Distribution of Share holding as on 30th September, 2010

Range No. Of Shares	Shareholders		Shares	
	Number	% to total holders	Numbers	% to total Capital
Upto 100	76754	80.08	7658337	10.30
101-200	6961	7.26	1389049	1.87
200-500	7300	7.62	3032670	4.08
501-1000	2579	2.69	2206839	2.97
1001 - 5000	1713	1.79	3987046	5.36
5001 - 10000	218	0.23	1664361	2.24
10001 -100000	261	0.27	8508045	11.44
100001 - above	56	0.06	45936613	61.76
Total	95842	100.00	74382960	100.00

8. Share Transfer System

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

9. Dematerialisation of shares

As per notification issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form w.e.f September, 2000. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

No. of shares Dematerialised	28165249	37.87%
No. of shares in Physical form	46217711	62.13%

10. Market Price Data (Rs.)

Month	Bombay Stock Exchange		Volume on BSE
	High	Low	
October-09	4.62	3.00	3,30,083
November-09	5.52	2.93	5,16,193
December-09	6.37	4.34	13,10,878
January-10	6.20	4.68	5,31,432
February-10	5.25	4.35	3,28,152
March-10	6.00	4.49	4,71,332
April-10	6.14	4.42	4,16,756
May-10	6.25	4.71	4,33,963
June-10	6.57	5.31	2,60,152
July-10	6.29	5.00	3,54,708
August-10	6.00	4.50	2,10,925
September-10	6.90	5.15	7,61,490

11. Plant Location of the Company:

Bijulibari Village,
P.O.Khandajan, Via Sipajhar,
Dist. Darrang784 145

12. Bank Details of the Shareholders:

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

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

13. Depository Services

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

- National Securities Depository Ltd.
Trade World, A Wing, 4th & 5th Floor,
Kamla 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.
17th floor, P J Towers,
Dalal Street, Fort, Mumbai 400001
Telephone: (022) 2723333
Fax: (022) 22723199
E-mail : investors@cdslindia.com
Website: www.cdslindia.com

14. Nomination Facility

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

By order of the Board of Directors

PLACE: Guwahati
DATE: 31st May, 2011

(Hemant B. Vyas)
Managing Director

(S.K. Saha)
Whole Time cum Finance Director

THE PRAG BOSIMI SYNTHETICS LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of The Prag Bosimi Synthetics Limited.

We have examined the compliance of conditions of Corporate Governance by The Prag Bosimi Synthetics Ltd. for the year from 01 October, 2009 to 30th September 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and

according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We state that no investor grievance is pending for year 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.

H.Khaund & Co.
Chartered Accountants
(Firm Regn. No. 307031E)

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

H.Khaund
Proprietor
(M. No.011406)

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

Date : 31.05.2011

AUDITORS' REPORT TO THE MEMBERS

To

The Members of The Prag Bosimi Synthetics Limited

- 1 We have audited the attached Balance Sheet of the Prag Bosimi Synthetics Limited as at 30th September 2010, the Profit and Loss Account for the year ended on that date and also Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 - 2 We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - 3 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (hereinafter referred to as the "Act"), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable.
 - 4 Further to our comments in the Annexure referred to in paragraph 3 above and subject to the following:-
 - i. The Financial Statements have been prepared in accordance with the fundamental accounting assumption that the company is a going concern,
 - ii. Sundry debit/credit balances are subject to confirmation pending reconciliation as referred to in Note No.11 of Schedule 18;
- We report that: -
- a. We have obtained all information and explanations, which to the best of our knowledge and belief were

necessary for the purposes of our Audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those Books.
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting Standards referred to in sub section (3C) of Section 211 of the Act, to the extent applicable,
- e. On the basis of written representations received from directors as on 30th September 2010, and taken on record by the Board of Directors, wherever applicable, we report that none of the directors is disqualified as on 30th September 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 'significant accounting policies and notes to accounts' in schedule 18 and other notes appearing elsewhere in the accounts, 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:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 30th September 2010;
 - ii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

H.Khaund & Co.
Chartered Accountants
(Firm Regn. No. 307031E)

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

H.Khaund
Proprietor
(M. No.011406)

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

Date : 31.05.2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2010 OF THE PRAG BOSIMI SYNTHETICS LIMITED.

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

- 1 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 programme 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) No substantial part of the fixed assets has been disposed off during the year.
- 2 a) The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with the third parties and in transit have been verified by the management with reference to the confirmation received from them and/or subsequent receipt of goods.
- b) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
- 3 a) The Company has not granted any loans, secured or unsecured to companies, firms or parties covered in the register maintained under section 301 of the Act.
- b) The Company has taken interest free unsecured loan of Rs. 106,795,300 from Managing Director and other related parties during the year. The rate of interest and terms of the loan repayment are not prima facie prejudicial to the interest of the Company.
- c) The Company has not taken any loans, secured or unsecured, except as stated in 3b above from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- 4 In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotation, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- 5 a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) According to the information and explanation given to us, no transactions were made with parties whose names are entered in the register maintained under section 301 of the Act.
- 6 No deposits within the meaning of Section 58A or any other relevant provision of the Act and Rules framed there under have been accepted by the Company.
- 7 In our opinion, the Company has an internal audit system

commensurate with the size of the Company and nature of its business,

- 8 We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under section 209(1)(d) of the Act and are of the opinion, prima facie that the prescribed records have been made and maintained. We are, however not required to make detailed examination of the records with a view to determine whether they are accurate or complete.
- 9 Due to suspension of production from February, 2006, the Company could not make full payment of statutory dues. The Company has following undisputed amounts outstanding towards statutory dues for more than 6 months as on 30th September, 2010.

The Act applicable	Details of outstanding Amount	Amount ₹ in Lacs
Employees Provident Funds and Miscellaneous Provisions Act 1952	Contribution to Provident Fund	64.95
The Assam Sales Tax Act.	Assam Sales Tax	4.87
The Assam/Mumbai Professions, Trades, Callings and Employments Taxation Act 1947	Professional Tax	6.94
The Income Tax Act 1961	Tax Deducted at Source	46.88
The Income Tax Act 1961	Fringe Benefits Tax	11.72

Of the above, the Company has paid contribution to Professional Tax ₹ 0.11 Lacs, P.F. ₹ 5.21 Lacs and Tax Deducted at source ₹ 0.24 Lacs as on the date of this report.

- 10 During the year the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 11 The Company is not a dealer or trader in shares, securities, debentures and other investments.
- 12 In our opinion and according to information and explanations given to us, the Company has not given guarantee for loans taken by others from Banks or financial institutions.
- 13 According to the information and explanation given to us, in our opinion, the term loans were applied for the purpose for which they were raised.
- 14 According to the information and explanations given to us, in our opinion, funds raised on short term basis have not been used for long term basis or vice versa.
- 15 During the year the Company has not made any preferential allotment of shares to the parties and companies covered and recorded in the Register maintained under section 301 of the Act.
- 16 The Company has created securities in respect of debentures issued in the past.
- 17 The Company has not raised any money by way of public issue during the year.
- 18 During the year no fraud on or by the Company has been noticed or reported during the course of our audit.

H.Khaund & Co.
Chartered Accountants
(Firm Regn. No. 307031E)

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

H.Khaund
Proprietor
(M. No.011406)
Date : 31.05.2011

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

THE PRAG BOSIMI SYNTHETICS LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER, 2010

PARTICULARS	SCHEDULE	AS AT 30th September 2010 ₹	AS AT 30th September 2009 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,555,328,300	1,555,328,300
Reserves and Surplus	2	764,014,393	764,014,393
LOAN FUNDS			
Secured Loans	3	942,709,729	822,925,140
Unsecured Loans		145,910,255	76,910,693
TOTAL		3,407,962,677	3,219,178,526
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	2,774,563,974	2,754,907,808
Less: Depreciation		631,464,413	497,526,385
Net Block		2,143,099,561	2,257,381,423
CAPITAL WORK-IN-PROGRESS	5	-	102,461,113
		2,143,099,561	2,359,842,536
INVESTMENTS	6	-	600
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		52,843,870	52,843,870
Sundry Debtors		3,864,839	4,203,401
Cash & Bank Balances		80,881,497	2,141,442
Other Current Assets		38,000,362	8,490,637
Loans & Advances		185,284,982	186,218,719
		360,875,551	253,898,069
LESS: CURRENT LIABILITIES AND PROVISIONS	8	70,845,790	92,215,249
NET CURRENT ASSETS		290,029,761	161,682,820
Profit & Loss Account		974,833,356	697,652,570
TOTAL		3,407,962,677	3,219,178,526

As per our Report of even date

For H. KHAUND & CO.
Chartered Accountants
(Firm Regn.No.307031E)

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

For & on behalf of the Board

H.K.Sharma Chairman
Hemant B.Vyas Managing Director
S.K.Saha Finance Director

H. KHAUND
Proprietor
(M.No.011406)

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

M.K. Das
Girindra Mohan Das } Directors

Date : 31.05.2011

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2010

PARTICULARS	SCHEDULE	For the twelve months	For the eighteen months
		period ended 30th September 2010	period ended 30th September 2009
		₹	₹
INCOME			
Sales		-	122,937
Other Income	9	407,585	1,534,897
Increase/(Decrease) in stock	10	-	-
TOTAL		407,585	1,657,834
EXPENDITURE			
Cost of Materials	11	-	103,491
Manufacturing Expenses	12	-	-
Extra ordinary non recurring Expenses		-	2,378,590
Salaries, Wages & Other Employee Benefits	13	17,822,163	29,242,802
Other Expenses	14	114,386,101	15,464,151
Excise Duty		-	-
Interest	15	9,999,062	1,183,753
Profit/Loss on Impairment of Assets	16	-	12,441,652
TOTAL		142,207,326	60,814,439
PROFIT / (LOSS)			
Profit/(Loss) Before Depreciation & Tax		(141,799,741)	(59,156,605)
Depreciation		134,208,129	53,925,308
Net Profit/(Loss)		(276,007,870)	(113,081,913)
Provision for Taxation	17	-	-
Profit/(Loss) After Tax & Depreciation		(276,007,870)	(113,081,913)
Prior Period Net Income		(1,172,915)	527,360,666
Profit/(Loss) After Tax & Adjustments		(277,180,785)	414,278,752
Balance Brought from Earlier Year		(697,652,570)	(1,111,931,323)
Surplus/(Deficit) Carried to Balance Sheet		(974,833,356)	(697,652,570)
Basic and Diluted Earning per Share of the face value of ₹10/-Each(in Rupees)			
Ref note no 18 of Schedule 18			
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES			
	18		

As per our Report of even date

For H. KHAUND & CO.

Chartered Accountants
(Firm Regn.No.307031E)

For Bharat Shroff & Co.

Chartered Accountants
(Firm Regn.No.131026W)

For & on behalf of the Board

H.K.Sharma Chairman
Hemant B.Vyas Managing Director
S.K.Saha Finance Director

H. KHAUND

Proprietor
(M.No.011406)

Bharat B. Shroff

Proprietor
(M.No.014822)

M.K. Das

Girindra Mohan Das

} Directors

Date : 31.05.2011

THE PRAG BOSIMI SYNTHETICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	AS AT 30th September 2010 ₹	AS AT 30th September 2009 ₹
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
120,000,000 Equity Shares of ₹ 10/- each	1,200,000,000	1,200,000,000
1,000,000 Cumulative Preference Shares of ₹ 100/-each	100,000,000	100,000,000
9,000,000 Redeemable Cumulative Convertible Preference Shares of ₹ 100/- each	900,000,000	900,000,000
3,000,000 Unclassified Shares of ₹ 100/-each	300,000,000	300,000,000
	<u>2,500,000,000</u>	<u>2,500,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
74,382,960 (Previous Year 74,382,960) Equity shares of ₹ 10/- each, fully paid-up	743,829,600	743,829,600
Less: Calls in Arrears - Others	3,126,300	3,126,300
	(A) <u>740,703,300</u>	<u>740,703,300</u>
1,000,000 (Previous year 1,000,000) Cumulative Convertible Preference Shares of ₹ 100/-each fully paid-up [Refer Note No.2] [Schedule 18]	(B) 100,000,000	100,000,000
7,146,250 (Previous Year 7,146,250) Redeemable Cumulative convertible Preference Shares of ₹ 100/-each, fully paid-up	(C) 714,625,000	714,625,000
(Of the above shares 4,276,250 shares (Previous year 4,276,250) are allotted as fully paid-up pursuant to a contract without payments being received in cash.) [Refer Note 2] [Schedule 18]		
TOTAL [A + B + C]	<u>1,555,328,300</u>	<u>1,555,328,300</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
Capital Subsidy	16,700,000	16,700,000
Appropriation of Term Loan Written Back (OTS)	747,314,393	747,314,393
TOTAL	<u>764,014,393</u>	<u>764,014,393</u>

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PARTICULARS	AS AT 30th September 2010 ₹	AS AT 30th September 2009 ₹
SCHEDULE - 3		
LOAN FUNDS		
SECURED LOAN		
NON CONVERTIBLE DEBENTURES	48,800,000	48,800,000
TERM LOANS		
Rupee Loan from Financial institutions	511,648,140	627,793,140
FROM BANKS		
Working Capital Term Loan	55,400,000	55,400,000
Cash Credit Banks	88,409,000	90,932,000
FROM OTHERS		
Srei Infrastructure Finance Ltd.	238,452,589	-
TOTAL	<u>942,709,729</u>	<u>822,925,140</u>
UNSECURED LOAN		
From AIDC Ltd.	28,000,000	28,000,000
From Banks	11,114,955	13,322,155
From Others	106,795,300	35,588,538
TOTAL	<u>145,910,255</u>	<u>76,910,693</u>

NOTES:

- A. SECURED DEBENTURES: The debentures are secured by First legal mortgage in favour of the trustees of all the company's immovable and moveable properties present and future, ranking pari-passu with the mortgages and charges created and/or to be created in favour of Financial Institutions, and floating charge on all the assets of the company subject to prior charges created/to be created in favour of Company's Bankers on the Company's stock of raw material, semi-finished and finished goods, consumable stores and such other moveables as may be agreed by the trustees for securing the borrowing for working capital requirement in the ordinary course of business and also secured by a guarantee from erstwhile Company of the Promoter excluding AIDC.
- B. TERM LOANS: The Term Loans are secured by a first mortgage of all immoveable properties, both present and future, and first charge by way of hypothecation of all movables (save and except debts) including movable machinery, spares, tools & accessories, present and future, ranking pari-passu with the mortgages and charges created and/or to be created in favour of Financial Institutions/debenture trustees, subject to prior charges created and/or to be created in favour of Bankers on stocks, stores and such other movables for working capital requirements and also secured by a guarantee from erstwhile Company of the Promoter excluding AIDC.
- C. WORKING CAPITAL: Working Capital demand loans and Cash Credit are secured by a mortgage on second charge basis by deposit of title deeds in respect of Company's immovable properties, both present and future, and by hypothecation of whole present and future, stock in process, finished goods, consumables, spares, book debts etc. & other materials and stores whether raw or in process of manufacture and all articles manufactured therefrom whether stored at or be in or about the Company's godowns or premises at sipajhar, District Darrang, Assam or wherever else or in transit and Company's present and future book debts, outstanding money receivables, claims, bills, contracts, engagements, securities, investments, assets and also personal guarantee of the Managing Director.
- D. OTHER SECURED LOAN: The Company has taken loan from Srei Infrastructure Finance Ltd. during the year towards Upfront Payment for settlement of existing secured Loan and Revival of Plant & Machinery; secured by mortgage of all assets of the Company, charged on Escrow Account of all State and Central Subsidies receivable and personal guarantee of the Managing Director.

THE PRAG BOSIMI SYNTHETICS LIMITED

SCHEDULE - 4 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 01-Oct-09	DURING THE 12 MTH PERIOD ENDED 30.09.2010		AS AT 30.09.2010	UPTO 01-Oct-09	FOR THE 12 MTH PERIOD ENDED 30.09.2010	UPTO 30.09.2010	AS AT 30-Sep-10	AS AT 30-Sep-09
		ADDITION	DELETION			PROVIDED	WRITTEN BACK		
LAND-FREE HOLD	578617	-	-	578,617	-	-	-	578617	578617
LAND-LEASE HOLD *	599678	-	-	599,678	240000	19992	259,992	339,686	359678
BUILDING	518509429	119184	-	518,628,613	118422608	17228648	135651256	382977356	400086820
PLANT & MACHINERY	2214113554	18825763	-	2,232,939,316	364097449	116280208	480377656	1752561660	1850016105
COMPUTER	3527484	352959	-	3,880,443	3293187	48824	3342011	538432	234297
VEHICLE	2580977	680781	496721	2,765,037	1395759	121062	290093	1538309	1185218
FURNITURE & FIXTURE	14998070	178200	4000	15,172,270	10077382	529387	10606769	4565501	4920688
TOTAL	2754907808	20156887	500721	2774563974	497526385	134228121	290093	2143099561	2257381423
PREVIOUS YEAR	809930719	1972372613	27395524	2,754,907,808	462765389	53985308	19224312	2257381423	
CAPITAL WORK IN PROGRESS								-	102461113
TOTAL FIXED ASSETS								2143099561	2359842536

PARTICULARS	AS AT 30th Sept. 2010 ₹	AS AT 30th Sept. 2009 ₹
-------------	-------------------------------	-------------------------------

SCHEDULE - 5

CAPITAL WORK-IN-PROGRESS

A) WORK-IN-PROGRESS

Plant & Machinery - 89,886,734

TOTAL (A) - 89,886,734

B) ADVANCES/DEPOSITS FOR FIXED ASSETS - 3,564,952

C) PRE-OPERATIVE EXPENSES PENDING ALLOCATION

(i) PAYMENT TO EMPLOYEES - -

(ii) ADMINISTRATIVE EXPENSES
Miscellaneous Expenses - 4,804,471

(iii) FINANCE CHARGES
Interest on Fixed Loan - 4,204,956

TOTAL (C) - 9,009,427

TOTAL (A + B + C) - 102,461,113

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PARTICULARS	AS AT 30th Sept. 2010 ₹	AS AT 30th Sept. 2009 ₹
SCHEDULE - 6		
INVESTMENT (AT COST)		
LONG TERM INVESTMENTS		
UNQUOTED		
20 Shares of ₹ 30 each of Bombay Mercantile Co-op Bank Ltd.	-	600
TOTAL	-	600
SCHEDULE - 7		
CURRENT ASSETS, LOANS & ADVANCES		
A. Inventories (As taken, valued, verified and certified by the management)		
At lower of Cost or Net Realisable Value:		
Finished Goods	6,441,009	6,441,009
Other Stocks :-		
Raw Materials	4,681,879	4,681,879
Stores, Spares and Chemicals	41,720,982	41,720,982
	<u>52,843,870</u>	<u>52,843,870</u>
B. Sundry Debtors		
Unsecured & Considered Good		
More than six months	39,501,393	39,839,955
Others	-	-
Less: Provision for Doubtful Debts	(35,636,554)	(35,636,554)
	<u>3,864,839</u>	<u>4,203,401</u>
C. Cash and Bank Balances		
Cash in hand	75,879	782,406
Bank Balance - Current Accounts	79,501,659	55,077
Fixed Deposits	1,303,959	1,303,959
	<u>80,881,497</u>	<u>2,141,442</u>
D. OTHER CURRENT ASSETS		
	38,000,362	8,490,637
E. LOANS & ADVANCES		
Advances recoverable in cash or in kind or for value to be received	185,005,843	185,177,305
Balance with Customs & Central Excise	137,933	137,933
Advance Payment of Taxes	141,206	903,481
	<u>185,284,982</u>	<u>186,218,719</u>
TOTAL	<u>360,875,551</u>	<u>253,898,069</u>

THE PRAG BOSIMI SYNTHETICS LIMITED

PARTICULARS	AS AT 30th Sept. 2010 ₹	AS AT 30th Sept. 2009 ₹
SCHEDULE - 8		
CURRENT LIABILITIES & PROVISIONS		
A. LIABILITIES		
Sundry Creditors	25,460,498	32,781,074
Advance Received from Customers	1,435,000	1,435,000
Other Liabilities	37,936,737	50,748,544
Total (A)	<u>64,832,235</u>	<u>84,964,618</u>
B. PROVISIONS		
For Gratuity	6,013,555	7,250,631
Total (B)	<u>6,013,555</u>	<u>7,250,631</u>
Total (A) + (B)	<u><u>70,845,790</u></u>	<u><u>92,215,249</u></u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	For the Twelve months period ended 30th September 2010 ₹	For the Eighteen months period ended 30th September 2009 ₹
SCHEDULE - 9		
OTHER INCOME		
Scrap Sale	266,379	-
Others	141,206	1,534,897
TOTAL	<u><u>407,585</u></u>	<u><u>1,534,897</u></u>
SCHEDULE - 10		
INCREASE/(DECREASE) IN STOCK		
(A) OPENING STOCK		
Materials in Process	-	-
Finished Goods	6,441,009	6,441,009
	<u>6,441,009</u>	<u>6,441,009</u>
(B) CLOSING STOCK		
Materials in Process	-	-
Finished Goods	6,441,009	6,441,009
	<u>6,441,009</u>	<u>6,441,009</u>
INCREASE/(DECREASE) IN STOCK (B-A)	<u><u>-</u></u>	<u><u>-</u></u>

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PARTICULARS	For the Twelve months period ended 30th September 2010 ₹	<i>For the Eighteen months period ended 30th September 2009 ₹</i>
SCHEDULE - 11		
COST OF MATERIALS		
Opening Stock	4,681,879	4,785,370
Add: Purchases		
Raw Material	-	-
Trading Material	-	-
	<u>4,681,879</u>	<u>4,785,370</u>
Less: Closing Stock	4,681,879	4,681,879
TOTAL	<u><u>-</u></u>	<u><u>103,491</u></u>
SCHEDULE - 12		
MANUFACTURING EXPENSES		
Consumption of Stores,Dyes & Chemicals	-	-
Power & Fuel	-	-
Extra ordinary non recurring Expenses	-	2,378,590
TOTAL	<u><u>-</u></u>	<u><u>2,378,590</u></u>
SCHEDULE - 13		
SALARIES, WAGES & OTHER EMPLOYEE BENEFITS		
Salaries,Wages & Bonus	14,263,292	21,791,426
Managerial Remuneration	1,237,111	1,964,305
Contribution to PF & FPF	1,643,236	5,036,112
Staff Welfare Expenses	678,524	450,959
TOTAL	<u><u>17,822,163</u></u>	<u><u>29,242,802</u></u>
SCHEDULE - 14		
OTHER EXPENSES		
Rent, Rates & Taxes	8,532,719	2,716,456
Repair & Maintenance - Others	1,380,528	1,804,013
Travelling & Conveyance	1,038,476	832,073
Vehicle Expenses	977,544	871,870

THE PRAG BOSIMI SYNTHETICS LIMITED

SCHEDULE - 14 (Contd.)

PARTICULARS	For the Twelve months period ended 30th September 2010 ₹	<i>For the Eighteen months period ended 30th September 2009 ₹</i>
Printing & Stationery	256,064	241,586
Postage, Telegram, Telephone, Telex	553,630	932,075
Legal & Professional Fees	2,676,170	2,015,315
Insurance	441,244	248,743
Other Expenses	4,492,607	7,527,356
Loss on Sale of Assets	76,628	7,201,212
Auditors' remuneration	150,000	112,500
Loss on Sale of Investment	600	-
Loss on Fixed Assets (CWIP)	93,789,899	-
Amortisation of Leasehold Land	19,992	60,000
Provison for Doubtful Debts	-	66,199
Sundry Creditors Written Off	-	(9,165,247)
TOTAL	114,386,101	15,464,151

SCHEDULE - 15

INTEREST

INTEREST & FINANCIAL CHARGES	9,999,062	1,183,753
TOTAL	9,999,062	1,183,753

SCHEDULE - 16

PROFIT/LOSS ON IMPAIRMENT OF ASSETS

Building Impairment Loss	-	1,109,520
Plant & Mach. Impairment Loss	-	11,332,132
TOTAL	-	12,441,652

SCHEDULE - 17

PROVISION FOR TAXATION

PROVISION FOR TAXATION	-	-
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Refer Point No. 10 of Schedule 18 under Significant Accounting Policies.

SCHEDULE ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE – 18

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2010.

I Significant Accounting Policies:

(1) Basis of preparation of Financial Statements:

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

The Company follows the accrual system of accounting and recognises Income and expenditure on accrual basis.

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

(2) Fixed Assets:

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

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

(3) Depreciation:

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

(b) Depreciation on additions/deductions during the year has been provided on pro-rata basis with reference to the month of addition/deduction.

(c) Effective from 01.10.2003, the Leasehold land is amortized over the balance period of unexpired lease period in equal installments.

The leasehold land was acquired on 1.8.1989 for 30 years period at a premium of ₹ 599,678/-. Accordingly, the premium paid for acquiring the lease hold rights on the said leasehold land are being written off over the balance unexpired life of the lease.

(4) 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.

(5) Investments:

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

(6) Inventories:

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

(a) Raw materials, stores, spares, consumables and construction materials: At lower of cost or net realizable value

(b) Materials in process: At lower of cost or net realizable value

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

(7) Retirement Benefits:

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/payable towards these defined contribution plan is recognized as expense in the Profit and Loss Account during the period in which the employees rendered the related service.

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. Provision of ₹ 6,34,424 is accordingly made for leave encashment during the current year. This is done on the same basis as in the last accounting period.

(8) 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.

(9) Government Grants:

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

(10) Provision for taxation:

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

(11) Events occurring after the Balance Sheet Date:

In term of Corporate Debt Restructuring Scheme, the Company has issued 8% Optionally Cumulative Convertible Debentures amounting to ₹ 57.52 Crore to the Financial Institution, Banks and Insurance Companies on 23rd March, 2011.

(12) Revenue Recognition:

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

II Notes to Accounts

(1) Contingent liabilities not provided for:

Sr. Particulars No.	As At 30/09/2010 ₹	As At 31/09/2009 ₹
i. Counter Guarantees for Sales tax	5,000	5,000
ii. Dividend payable on Cumulative Convertible Preference Shares (Refer Note 2 below)	-	-
iii. Claims against the company not acknowledged as debts	34,242,000	34,242,000
iv. Letter of undertaking executed in favour of Joint Director General of foreign trade under Duty Exemption Entitlement Scheme (Advance License Scheme) for custom duty	13,040,682	13,040,682
v. Letters of credit and Bank Guarantees given by bankers on behalf of the Company.	5,250,000	5,250,000

(2) The Cumulative Convertible Preference Shares (CCPS) and Redeemable Convertible Cumulative Preference Shares (RCCPS) have also been part of approved Corporate Debt Restructuring Scheme. In terms of Corporate Debt Restructuring Scheme, these CCPS and RCCPS have to be cancelled from the books of accounts. However such cancellation has the effect of reduction in capital as per the provisions of The Companies Act, 1956 which requires prior approval of High Court after this proposal has formally been approved by the shareholders. CCPS & RCCPS therefore will remain in the books of accounts till the cancellation thereof is approved by High Court. However, in accordance with Corporate Debt Restructuring Scheme, dividend liability in respect of the preference shares has been shown as nil in the current year in Note 1(ii) above.

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

(4) As per the approved Corporate Debt Restructuring Scheme, the Company has issued 8% Optionally Cumulative Convertible Debentures against the balance amount payable to the Financial Institutions, Banks and Insurance Companies.

(5) 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.
- (6) Estimated amount of contracts remaining to be executed on capital account net of advances is ₹ Nil (Previous Year ₹ Nil/-)
- (7) Loans and Advances include ₹ **38,476,664/-** (Previous Year ₹ 7,943,550/-) 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.
- (8) The amount overdue and remaining unpaid to small scale/or ancillary Industrial Suppliers on principal and/or interest as at the close of the period could not be ascertained, since the suppliers/ service providers covered under Micro, Small Medium Enterprises Act, 2006 have not furnished the information regarding filing necessary memorandum with the appropriate authority. In absence of the said information, the Company is unable to identify units as well as furnish details required.
- (9) Previous Period's figures have been regrouped / reclassified / rearranged wherever necessary.
- (10) 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.
- (11) Balance of Sundry Debtors, Sundry Creditors, Loans & Advance and Deposits are subject to confirmation.
- (12) Profit and Loss Account of the current year includes following remuneration paid/credited/ accrued to managerial personnel.

	<u>Current Period</u>	<u>Previous Period</u>
	₹	₹
Salary	840000	1260000
House Rent Allowance	225000	337500
Employer's contribution to Provident fund	-	-
Other Allowances	172111	366805
Total	<u>1237111</u>	<u>1964305</u>

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

- (14) AS-18 Related Party Information:

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

There are no other related parties.

- (15) Additional information as far as applicable pursuant to the provision of paragraph 3, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956 is as per Annexure I.
- (16) Additional information pursuant to part IV of the Schedule VI of the Companies Act, 1956 is as per Annexure II.
- (17) Cash flow Statement is annexed to this Schedule as Annexure III.
- (18) Earnings per Share

Earnings per Share	30.09.2010	30.09.2009
Net profit /(loss) as per P/L Account (₹)	(277180785)	414,278,752
Weighted average number of equity shares outstanding (Nos)	74382960	74382960
Basic and diluted earning per share (Face value ₹ 10/-per Share)	-3.73	5.57

As per our Report of even date

For H. KHAUND & CO.

Chartered Accountants
(Firm Regn.No.307031E)

H. KHAUND

Proprietor
(M.No.011406)

For Bharat Shroff & Co.

Chartered Accountants
(Firm Regn.No.131026W)

Bharat B. Shroff

Proprietor
(M.No.014822)

For & on behalf of the Board

H.K.Sharma	Chairman
Hemant B.Vyas	Managing Director
S.K.Saha	Finance Director

M.K. Das	} Directors
Girindra Mohan Das	

Date : 31.05.2011

THE 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 30.09.2010		For the eighteen months period ended 31.09.2009	
		Quantity	Amount (₹)	Quantity	Amount (₹)
a. Opening Stock					
Yarn	MT	38.69	2,173,049	38.69	2,173,049
Polyester chips	MT	106.70	4,267,960	106.70	4,267,960
Others		-	-	-	-
b. Purchases					
Polyester chips					
Yarn	MT	-	-	-	-
Others					
c. Actual Production/Processed					
Yarn (net of captive consumption)	MT				
Polyester chips	MT				
d. Sales					
Yarn	MT				
Others					
e. Closing Stock					
Yarn	MT	38.69	2,173,049	38.69	2,173,049
Polyester chips	MT	106.70	4,267,960	106.70	4,267,960
Others		-	-	-	-
B. (i) Details of Raw Materials Consumed					
Polyester chips	MT				
Purified Terephthalic Acid	MT		-		-
Mono Ethylene Glycol	MT		-		-
Yarn	MT				
Purified Terephthalic Acid (Waste)	MT		-		-
Mono Ethylene Glycol (Waste)	MT		-		-
Others			-		-
Total			-		-
(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 30.09.2010		For the eighteen months period ended 31.09.2009	
	%	Amount (₹)	%	Amount (₹)
Raw Materials				
- imported	-	-	-	-
- indigenous	-	-	-	-
Stores, spares and consumables				
- imported	-	-	-	-
- indigenous	-	-	-	-
C. Auditors' remuneration includes:				
Audit Fees		100,000		75,000
Certification Fees		-		-
Fees for Taxation matter		50,000		37,500
Management Consultancy Fees		-		-
Other Matters		-		-
		<u>150,000</u>		<u>112,500</u>

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D. Licenced & Installed Capacity (as certified by the Management)

	Units	Licenced Capacity	As at 30/09/2010 Installed Capacity	<i>As at 30/09/2009 Installed Capacity</i>
Polyester Filament Yarn	TPA	25,000	36,000	<i>36,000</i>
Draw Texturising Machines	Nos	4	2	<i>2</i>
Draw Twisting Machines	Nos	4	2	<i>2</i>
Two for One Twister	Nos	12	6	<i>6</i>
Cone Winding Machine	Nos	6	4	<i>4</i>
Dyeing Machine	Nos	1	1	<i>1</i>
			For the twelve months period ended 30.09.2010 Amount (₹)	<i>For the eighteen months period ended 31.09.2009 Amount (₹)</i>

E. Expenditure in Foreign Currency (On actual payment basis)

i) Technical Services	-	-
ii) Other matters	-	-

ANNEXURE-II

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

i. Registration Details			
Registration No	2758	State Code	02
Balance Sheet Date	30-Sep-10		
ii. Capital raised during the year (Amount in ₹ thousands)			
Public issue	Nil	Rights issue	Nil
Bonus issue	Nil	Private Placement	Nil
iii. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousands)			
Total liabilities	3,407,963	Total assets	3,407,963
Sources of funds			
Paid up Capital	1,555,328	Reserves & Surplus	764,014
Secured Loans	942,710	Unsecured Loans	145,910
Application of Funds:			
Net Fixed Assets&CWIP	2,143,100	Investments	-
Net Current Assets	290,030	Misc. Expenditure	-
Profit & Loss A/c.(Dr.Bal.)	974,833		
iv. Performance of Company (Amount in ₹ thousands)			
Turnover (including other income)	408	Total Expenditure	277,588
Profit/(Loss) Before Tax	(277,181)	Profit/(Loss)After Tax	(277,181)
		Earning Per Share	(3.73)
v. Generic Name of the Principal Products of the Company			
Item Code No.(ITC Code)	5402.42		
Product Description	Polyester Filament Yarn (PFY)		

THE PRAG BOSIMI SYNTHETICS LIMITED

ANNEXURE III

CASHFLOW STATEMENT FOR THE TWELVE MONTHS PERIOD ENDED 30.09.2010 AS PER LISTING AGREEMENT

PARTICULARS	For the twelve months period ended 30.09.2010 (₹)	For the eighteen months period ended 31.09.2009 (₹)
A. Net Profit/(Loss)before tax and Extraordinary items	(277,180,785)	414,278,752
Adjustments for :		
Depreciation	134,208,129	53,925,308
Amortisation of Preliminary/Shares Issue Exp	-	-
Amortisation of Leasehold Land	19,992	60,000
Interest (Net)	9,999,062	1,183,753
Operating Profit/(Loss) before capital changes	(132,953,602)	469,447,813
Adjustments for :		
Inventories	-	2,482,081
Trade Receivable	338,562	513,420
Trade and other payables	(21,369,459)	(74,473,678)
Cash generated from operations	(153,984,499)	397,969,636
Less : Interest Paid	(9,999,062)	(1,183,753)
Interest Received	-	-
Net cash from operating activities	<u>(163,983,561)</u>	<u>396,785,883</u>
B. Cash flow from investing activities		
Purchase/Sale of fixed assets including CWIP (Net)	82,514,854	5,615,264,870
Sales/(Purchase) of investments	-	-
Provision for diminution in the value of investments	-	-
Preliminary expenses	-	-
Loans and advances and other current assets	(28,575,388)	107,193,022
Long term bank deposits/margins	-	-
Net cash used in investing activities	<u>53,939,466</u>	<u>5,722,457,892</u>
C. Cash flow from financing activities		
Proceeds from issue of shares	-	-
Share application money	-	-
Appropriation of Term Loan	-	747,314,393
Proceeds from long-term borrowings (Net)	188,784,151	(6,865,979,813)
Net cash from financing activities	<u>188,784,151</u>	<u>(6,118,665,420)</u>
Net increase in cash and cash equivalents (A+B+C)	<u>78,740,056</u>	<u>578,356</u>
Cash/cash equivalents (Opening)	2,141,442	1,563,086
Cash/cash equivalents (Closing)	80,881,497	2,141,442
	78,740,056	578,356

As per our Report of even date

For H. KHAUND & CO.
Chartered Accountants
(Firm Regn.No.307031E)

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

For & on behalf of the Board

H.K.Sharma Chairman
Hemant B.Vyas Managing Director
S.K.Saha Finance Director

H. KHAUND
Proprietor
(M.No.011406)

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

M.K. Das
Girindra Mohan Das } Directors

Date : 31.05.2011

The Prag Bosimi Synthetics Limited

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

ATTENDANCE SLIP

Name and Address of the Member / Proxy

Regd. Folio No. _____

Client ID No. _____

D.P. I.D. No. _____

No. of Shares held _____

I hereby record my presence at the Twentieth Annual General Meeting of the Company to be held on Tuesday the 28th day of June 2011, at 4.30 p.m. at Hotel Landmark, Dr.R.B. Barooah Road, Ulubari, Guwahati 781007.

Member's/Proxy's Signature _____

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

The Prag Bosimi Synthetics Limited

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

PROXY FORM

Regd. Folio No. _____ No. of Shares held _____

I/We _____ of _____ being a member/members of The Prag Bosimi Synthetics Limited hereby appoint _____

of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Tuesday the 28th day of June 2011, at 4.30 p.m. at Hotel Landmark, Dr.R.B.Barooah Road, Ulubari, Guwahati 781007.

Signed this _____ day on _____ 2011.

Signature _____

Affix
Rs. 1/-
Revenue
Stamp

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

BOOK POST

If undelivered, please return to :-

The Prag Bosimi Synthetics Limited

R-79/83, Laxmi Insurance Building,

5th Floor, Sir P. M. Road,

Mumbai 400 001.