



PRAG BOSIMI SYNTHETICS LIMITED

24th Annual Report

2015 - 2016

Prag Bosimi Synthetics Limited

BOARD OF DIRECTORS

Shri. H. K. Sharma, IAS
Chairman

Shri. Hemant B. Vyas
Managing Director

Shri. Devang H. Vyas

Shri. M. K. Das

Shri. Girindra Mohan Das

Shri. Rohit P. Doshi

Smt. Deepali Pathak

Shri. Mukund Trivedi
(w.e.f. 14.08.2015)

COMPANY SECRETARY

Mrs Shweta Mahajan
(w.e.f. 08.03.2016)

Shri. Rajesh Shetty
(upto 29.02.2016)

AUDITORS

M/s Bharat Shroff & Co.
Chartered Accountants
Mumbai

M/s AMD & Associates
Chartered Accountants
Guwahati

BANKERS

Dena Bank
IndusInd Bank
IDBI Bank

REGISTERED OFFICE

House No.4, Nilgiri Path,
R.G.Barua Road,
Near Doordarshan,
Guwahati- 781 024 Assam.
Website : www.pragbosimi.in
Email : secretarial@bosimi.com
CIN : L17124AS1987PLC002758

PLANT

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

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

SUBSIDIARIES

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

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

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

NOTICE

Notice is hereby given that the 24th Annual General Meeting of Prag Bosimi Synthetics Limited will be held on Thursday, 29th September, 2016 at 11.30 am at House No.4, Nilgiri Path, R.G.Barua Road, Near Doordarshan, Guwahati-781024 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2016 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 Devang H Vyas (DIN 00076459), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Bharat Shroff & Company, Chartered Accountants (Registration No. 131026W) and M/s. A M D & Associates, Chartered Accountants (Registration No. 318191E) be re-appointed as the Joint Auditors of the Company and they together to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To re-appoint Smt. Deepali Pathak (DIN 05217417) as an Independent Director and in this regard to

consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Deepali Pathak (DIN 05217417), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of three years from the date of this Annual General Meeting “.

5. To appoint Shri Mukund Trivedi (DIN 07179964) as an Independent Director and in this regard to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri. Mukund Trivedi (DIN 07179964), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of three years from the date of this Annual General Meeting.”

By order of the Board of Directors

Date: 30th August, 2016

Place: Guwahati

Hemant B. Vyas

Managing Director

Devang Vyas

Director & CFO

Prag Bosimi Synthetics Limited

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING PROXY DULY COMPLETED AND STAMPED, MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 22nd September, 2016 to Thursday, 29th September, 2016 (both days inclusive).
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. In any correspondences with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialized form, they must quote their Client ID Number and their DP ID Number.
7. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filing Form 2B. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
8. Members/ Proxies attending the meeting are requested to bring their Attendance Slip, sent herewith, duly filled in.
9. Shareholders are requested to register their e-mail addresses, in respect of electronic holding with their respective Depository Participants .
10. The EVSN Number for e-voting is 160831032.
The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Monday, 26th September, 2016 at 9.00 am and ends on Wednesday, 28th September, 2016 at 5.00 pm. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 21st September, 2016 may cast their vote electronically. The e-

voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.

Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bk Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Serial Number (EVSN) for Prag Bosimi Synthetics Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Prag Bosimi Synthetics Limited

Details of Directors seeking appointment or reappointment in the Annual General Meeting fixed on **29th September, 2016 (In pursuance to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (earlier Clause 49 to the Listing Agreement)**

Name of the Director	Shri Devang H. Vyas	Smt. Deepali Pathak	Shri. Mukund Trivedi
Date of Birth	12th May, 1969	02 nd April 1976	13 th December, 1949
Date of appointment	15 th May, 2014	08 th July 2015	14 th August 2015
Qualification	Chemical Engineer, MBA (Finance)	LLB	B Com
Expertise in specific functional area	Management Administration and Finance	Law and Finance	Business
List of Outside Directorships held	Bosimi Exports (India) Limited	0	0
Chairman or members of the Committee of the Board of Directors of other Companies*	NIL	Nil	Nil
Number of shares in the Company	3860 shares	Nil	3000 shares
Inter se Relationship with other Directors & KMP	Mr. Devang Vyas is the son of Mr. Hemant B Vyas (Managing Director)	NA	NA

***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

Smt Deepali Pathak was appointed on 31st March 2015 and had been regularized in the AGM held on 08th July 2015 for one year. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have proposed that Smt. Deepali Pathak be further continued as an Independent Director of the Company for a period of three years.

The appointment of Smt. Deepali Pathak shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Deepali Pathak for the office of Director of the Company.

Smt. Deepali Pathak is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Smt. Deepali Pathak that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. In the opinion of the Board, Smt. Deepali Pathak fulfills the conditions for her appointment as an Independent Director as specified in the Act and under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Smt. Deepali Pathak is independent of the management and possesses appropriate skills, experience and knowledge in the field of finance.

Item No. 5

Shri Mukund Trivedi was appointed in the Board meeting held on 14th August 2015. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members for its regularization. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have proposed that Shri. Mukund Trivedi be regularized for a term of three years.

The appointment of Shri Mukund Trivedi shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Mukund Trivedi for the office of Director of the Company .

Shri Mukund Trivedi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri Mukund Trivedi that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. In the opinion of the Board, Shri Mukund Trivedi fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Shri. Mukund Trivedi is independent of the management and has 30 years of rich experience and knowledge in the field of bank and finance.

By order of the Board of Directors

Date: 30th August, 2016

Hemant B. Vyas

Devang Vyas

Place: Guwahati

Managing Director

Director & CFO

Prag Bosimi Synthetics Limited

DIRECTORS' REPORT

To,

The Members,

Prag Bosimi Synthetics Limited (PBSL).

Your Directors have pleasure in presenting the 24th Annual Report together with audited accounts of the Company for the year ended on 31st March, 2016

FINANCIAL RESULTS:

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

FINANCIAL HIGHLIGHTS	(₹ in Crores)	
	2015-2016	2013-2015
	12 Months ended 31st March 2016	18 Months ended 31st March 2015
Gross Turnover	137.63	1.52
Turnover net of Excise duty	137.63	1.52
Profit/ (Loss) before Depreciation, Interest and Taxation	12.23	(5.71)
(Add)/ Less: Interest	(13.37)	(19.31)
(Add)/ Less: Depreciation	(9.25)	(11.96)
Profit / (Loss) for the year	(10.40)	(36.98)
Add/ (Less) Loss brought forward from the previous period	(173.27)	(136.29)
Total Loss carried forward to next period/ year	(183.67)	(173.27)

COMPANY'S ACTIVITIES :

Your Directors regret to inform you that during the year under review, your Company could not restart its factory operations.

Your Company did undertake some trading activities in textile related products. Keeping in view of the encouraging response received while dealing with the textile products and buoyed by both strong domestic consumption as well as recent Textile policy announced by Government of India ,the Company has started a separate division named Bosimi Apparel under the Brand Name "BOSIMI"

DIVIDEND :

Due to the Loss incurred in the year under review, your directors do not recommend any dividend.

ONE TIME SETTLEMENT WITH BANKS AND FINANCIAL INSTITUTIONS :

We would also like to inform you that your company has been successful in achieving one time settlement of more than 80% of the OCCDs. The OCCD holders were IDBI (portfolio transferred to ARCIL), IFCL, Standard Chartered

Bank, UTI & GIC. We are hopeful that the remaining OCCDs will also be settled shortly.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Devang Vyas (DIN 00076459), the Director of the Company would be retiring by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting (AGM). Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detailed profile of the Director retiring by rotation is provided in the Notice convening the Annual General Meeting (AGM).

Shri G.M.Das (DIN 00144978), Shri Rohit P Doshi (DIN 00424996) and Smt. Deepali Rajneesh Pathak (DIN 05217417) were appointed as Independent Directors of the Company in the 23rd Annual General Meeting held on 8th July, 2015; Shri G M Das and Shri Rohit Doshi hold office for a period of 5 years whereas Smt. Deepali Pathak holds office for a period of one year. As such, she has been reappointed in the Board Meeting dated 11th August 2016 up to the date of the ensuing AGM.

Shri Mukund Trivedi (DIN 07179964) was appointed as Additional Director of the Company on 14th August 2015 to hold office upto the date of the ensuing Annual General Meeting as per provisions of the Companies Act, 2013 and the said SEBI Regulations.

Shri Ramesh Pokhriyal was appointed as CEO of the Company in its Board Meeting held on 6th March 2016. Smt Shweta Mahajan was appointed as Company Secretary and Compliance Officer of the Company on 8th March 2016 in place of Shri. Rajesh Shetty, who resigned w.e.f 29th February 2016.

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.

TRANSFER TO RESERVES :

In view of loss incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves. However, the Company has transferred an amount of ₹ 417,949,231/- to the General Reserves which has resulted from the settlement of the earlier OCCDs

PUBLIC DEPOSITS:

The Company has not accepted any Public Deposits during the year 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 year 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:

- a) in the preparation of the accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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, 2016 and of the loss of the Company for that year;
- c) 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;
- d) 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.

BOARD MEETINGS:

The Board of Directors met 7 times during the year ended 31st March, 2016 in accordance with the provisions of the Companies Act, 2013 and rules made there under and the details are given in the Corporate Governance Report annexed hereto

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors was 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. M.K. Das, 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 Directors and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

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.

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 ensure adequate safeguards to employees and Directors from any victimization 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:

1. We have received Income Tax Order dated 22nd June 2016 for outstanding demand of ₹ 74.57 lakh for the Assessment years 2005-2006. In this regard, the Board had replied to the Income Tax authorities on 5th August 2016 that the Company has been incurring losses since past many years. As a consequence, the company has huge assessed carry forward losses and unabsorbed depreciation which needs to be set off against the demand raised by IT Department.
2. Company Law Board, Kolkata Bench, vide its order dated 27th May 2016 had directed the Company to register the transfer of Preference shares in favour of the Petitioner Company 3A Capital Limited despite of the fact that the said preference shares has already been cancelled by High Court, Guwahati vide its Order dated 18th December 2012. The Company had appealed against the CLB order dated 27th May 2016 in Guwahati High Court.

Prag Bosimi Synthetics Limited

CORPORATE GOVERNANCE:

Your Company affirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges. A separate section on compliance of Corporate Governance and a Certificate from the Auditor's firm dated 30th May, 2016 in this regard are annexed hereto and forms a part of the Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

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

CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES :

There were related party transactions during the year which were done on arm length basis, 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 31st March 2016.

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 year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

LOANS, GUARANTEES, INVESTMENTS :

During the year, Company has not given any loan, guarantee or investment as per Section 186 of the Companies Act, 2013.

SUBSIDIARIES:

The Company has 3 subsidiary companies viz. Prag Bosimi Texurising Private Limited, Prag Bosimi Packaging Private Limited, and Prag Jyoti Textile Park Private Limited; the consolidated accounts of these Subsidiary Companies are annexed to this report along with the Cashflow statement and Notes to Accounts pursuant to the Companies Act, 2013.

For the implementation of the Textile Park project, 72,490 shares of Rs 10/- each has been allotted to the new shareholders, who will be setting up different units in the Park. As a result of this, the holding of 100% of Prag Bosimi Synthetics Limited has been reduced to 60.87%

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.

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 year ended 31st March 2016, 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 year under review has been marked as Annexure 'III'.

OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016 :

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2016 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 YEAR ENDED 31ST MARCH, 2016 :

Mr. Rakesh Kapur, Practising Company Secretary, Mumbai, who was appointed as Secretarial Auditor of the Company for the year 2015-16, pursuant to Section 204(1) of the Companies Act, 2013 has conducted the Secretarial Audit for the said year, has furnished his report dated 30th May, 2016 and the said report forms a part of this Report hereof. The said report does not contain any observation