



PREMIER SYNTHETICS LIMITED

44th

Annual Report

2013 - 2014



ANNUAL GENERAL MEETING

on Monday, 28th July, 2014
at 3:00 p.m. at JBF House, 2nd Floor,
Old Post Office Lane,
Kalbadevi Road,
Mumbai - 400 002.

Registered Office

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai - 400 002.
CIN No.: L99999MH1970PLC014826
Tel.- 022- 2208 8736 Fax - 022-2208 0470
Email ID : premiersynthetics@gmail.com
Website : www.premiersyntheticsltd.com

Secretarial Division

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai 400 002.
Ph. No. 2208 8736.

Plants:

- Block No. 835(P), 836 & 837
Mouje Rakanpur, Village Santej
Taluka Kalol, Distt. Mehsana, (Gujarat).

Contents	Page No.(s)
Notice-----	1
Directors' Report -----	5
Corporate Governance Report -----	7
Auditors Report -----	15
Balance Sheet -----	18
Profit & Loss Account-----	19
Cash Flow Statement -----	20
Notes of Financial Statement -----	21
Statement Under Section 212 -----	34
Consolidated Financial Accounts	
Consolidated Auditors Report -----	35
Consolidated Balance Sheet -----	36
Consolidated Profit & Loss Account -----	37
Consolidated Cash Flow Statement -----	38
Consolidated Notes of Financial Statement -----	39

Board of Directors

Anand Arya

(Chairman & Whole-time Director)

Suresh John

(Non-Executive Director)

S.K.Tambawalla

(Independent Director)

Janardan Joshi

(Independent Director)

Auditors

P.C.Surana & Co.

Chartered Accountants

Bankers

Indian Overseas Bank
Standard Chartered Bank

Registrar & Transfer Agent

Sharex Dyamic (India) Pvt. Ltd.
Unit-1, Luthara Ind. Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai - 400 072.
Tel. : 2851 5606 / 2851 5644
Fax : 2851 2885
Email Id : sharexindia@vsnl.com



NOTICE

Dear Members,

NOTICE is hereby given that the 44th Annual General Meeting of the Members of **PREMIER SYNTHETICS LIMITED** will be held on Monday, the 28th day of July, 2014 at 3.00 p.m. at JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date together with reports of the Board of Directors and Auditors' thereon;
2. To appoint a Director in place of Mr. Janardan Joshi who retires by rotation and being eligible offers himself for re-appointment;
3. To appoint M/s P.C. Surana & Co., Chartered Accountants, Mumbai as the Auditors of the Company to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. TO INCREASE THE BORROWING POWER IN TERMS OF SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass the following resolution with or without modification(s), as a Special Resolution:

“RESOLVED THAT pursuant to section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, consent of the company be and is hereby accorded to the Board of Directors of the company to borrow from time to time, for the purpose of the companies business, such sum or sums of monies, as they in their absolute discretion think fit, notwithstanding whether monies so borrowed together with the monies already borrowed by the company and remaining outstanding shall be in excess of the aggregate of the paid up share capital and free reserves but not exceeding Rs. 100,00,00,000 /-(Rupees One Hundred Crore only) over and above the paid up share capital and free reserves for the time being of the company.”

5. TO CREATE CHARGE / MORTGAGE ETC. ON COMPANY'S MOVABLE OR IMMOVABLE PROPERTIES IN TERMS OF SECTION 180(1)(a) OF THE COMPANIES ACT, 2013.

To consider and, if thought fit, to pass the following resolution with or without modification(s), as a Special Resolution:

“RESOLVED THAT pursuant to section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, consent of the company be and is hereby accorded to the Board of Directors of the company, for mortgaging and charging in such form and manner and on such terms and at such times as the board of directors may deem fit, the movable and/or immovable assets and properties of the company, wherever situate, present and future, whether presently belonging to the company or not, in favor of any person including, but not limited to, financial/investment institutions, banks, insurance companies, mutual fund(s) corporate body(ies), trustees to secure the loans, borrowing, debenture, hire purchase and/or working capital facilities and other credit facilities up to a sum not exceeding Rs. 1,000,000,000/-(Rupees One Hundred Crore only)

“RESOLVED FURTHER THAT”, the Board of Directors or such committee or person(s) as may be authorised by the board be and is hereby authorise to finalise the form, extent and manner of the documents and deeds, as may be applicable for creating the appropriate mortgages and or charges on such of the immovable and/or movable properties of the company on such terms and conditions at such times/tranches as may be decided by the board of directors in consultation with the lenders and for the reserving the aforesaid rights and for performing all such acts and things as may be necessary for giving effect to this resolution.”



6. TO GIVE LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES.

To consider and, if thought fit, to pass the following resolution with or without modification(s), as a Special Resolution:

“RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby given to the board of Directors for:-

- 1) giving any loan to any person or other body corporate,
- 2) giving any guarantee or providing any security in connection with a loan to any other body corporate or person and / or
- 3) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate

upto an amount, the aggregate outstanding of which should not exceed, at any given time Rs. 750,000,000/- (Rupees Seventy Five Crores Only) which shall be over and above the limits as specified in Section 186(2) of the Companies Act, 2013.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Anand Arya, Chairman & Whole-Time Director of the Company be and is hereby authorized to negotiate and decide from time to time, terms and conditions, execute necessary documents, papers, agreements etc. for the investment to be made, loans and guarantees to be given and securities to be provided to any person and/ or any body corporate, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of these powers to any committee of directors or director or officer of the Company or any other person.

For Premier Synthetics Limited

Anand Arya
Chairman

Place : Mumbai

Date : 28th April, 2014

Registered Office :

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai - 400 002.

CIN No.: L99999MH1970PLC014826

Email ID : premiersynthetics@gmail.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 21st day of July, 2014 to Monday, 28th day of July, 2014 (both days inclusive) for the purpose of Annual General Meeting.



3. The Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of special business is annexed.
4. Members are requested to notify the change of address, if any, to the Registrar and Transfer Agent, Sharex Dynamic (India) Ltd.
5. Members are requested to dematerialize their physical shareholding at the earliest. Your Company have dematerialization connectivity with C D S L only and **ISIN is INE 940N01012.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 4 & 5

Upon notification of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of members of the Company by way of Special resolution, borrow monies apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid-up share capital and its free reserve and create securities for such borrowings by creation of mortgage and/or charge on movable and immovable assets of the Company.

Further the Ministry of Corporate Affairs had vide its Circular dated March 25, 2014 clarified that the resolution(s) passed by the Companies under Section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed/approved by the members) and/or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013.

Nonetheless, taking into account the business operations and future growth plans of the Company and to cater to the working capital needs, a fresh resolution is proposed to borrow monies, from time to time, for the purpose of the Company's business, notwithstanding that the monies to be borrowed by the Company together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the Company's paid up share capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which monies may be so borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 1,000,000,000/- (Rupees One Hundred Crores only) and to create security for the borrowings by way of suitable mortgage, hypothecation or charge on all or any of the movable and/or immovable properties of the Company.

Accordingly, the Board of Directors of your Company recommends the passing of resolutions as set out at item no. 5 & 6 as the Special Resolutions.

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

ITEM NO. 6

Pursuant to Section 186(2) and all other applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors are authorized to give loan, guarantee or provide security in connection with a loan to any person or other body corporate, or acquire by way of subscription, purchase or otherwise, the securities including shares, debentures etc. of any other body corporate, up to an amount, the aggregate of which should not exceed 60% of the paid up capital, Free Reserves and Securities premium Account or 100% of Free Reserves and Securities Premium Account of the company, whichever is higher. In case the company exceeds the above mentioned limits then, prior approval of shareholders by way of Special resolution is required to be obtained.



PREMIER SYNTHETICS LIMITED

The Company is undertaking various business activities and is also making strategic investments, from time to time, in associates companies other bodies corporate and would, therefore, be required to provide financial assistance/support by way of giving of loans/guarantees, providing of securities, making of investments in securities in order to expand its business activity and also for optimum utilization of funds. Accordingly, Board of Directors of the company may be authorized to give loans, guarantees, or provide securities to make investments as mentioned above, up to an amount, the aggregate outstanding of which should not exceed, at any given time Rs. 750,000,000/- (Rupees Seventy Five Crores only) which shall be over and above the said limits as specified in section 186(2) of the Act.

Except Directors and Key Managerial Personnel or their relatives who may be concerned or interested, financial or otherwise, by way of directorship/shareholding or in any other manner in one or more companies/bodies corporate/individuals as described in the said resolution, no other director or Key Managerial Personnel or their relatives is concerned or interested in the said resolution.

For Premier Synthetics Limited

Anand Arya
Chairman

Place : Mumbai

Date : 28th April, 2014

Registered Office :

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai - 400 002.

CIN No.: L99999MH1970PLC014826

Email ID : premiersynthetics@gmail.com



DIRECTOR'S REPORT

To the Members,

The Directors present herewith the 44th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2014.

FINANCIAL RESULTS:

Particulars	Year Ended 31 st March, 2014	(Rs. in lakhs)
		Year Ended 31 st March, 2013
Gross Income	: 2245.43	1837.62
Profit before Depreciation, Interest & tax	: 492.86	308.96
Less : Depreciation	: 255.33	264.28
Less : Interest	: 172.97	44.01
Profit before Exceptional Items & Taxes	: 64.56	0.67
Add: Exceptional Items	: -	1149.23
Profit before Tax	: 64.56	1149.90
Less: Provision for Taxation	: (199.19)	(18.30)
Profit after tax	: 263.75	1168.20
Add: Balance of loss from previous year	: (3614.90)	(5140.62)
Balance carried over to Balance Sheet	: (3351.15)	(3614.90)

DIVIDEND

Your Directors do not recommend any dividend for the year ended on 31st March, 2014.

OPERATIONS

During the year under review, the Company recorded a total income of Rs. 2245.43 Lakhs as against Rs. 1837.62 Lakhs in the previous year. The Company is engaged in manufacturing of Cotton Yarns and presently mainly doing manufacturing on Job Work basis.

Your Company made Profit before exceptional items and tax of Rs. 64.56 Lakhs against profit of Rs. 0.67 Lakhs in the previous year. After Exceptional Items, the Net Profit after tax of the Company for the year stood at Rs. 263.75 Lakhs against net profit of Rs. 1168.20 Lakhs in the previous year. The Company has performed satisfactory comparing to the previous year. Company made payments of its Secured Loan in time. Yours Directors are considering various proposals to improve the working of the Company.

FIXED DEPOSITS

Your company has neither invited nor accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

LISTING FEES

Listing fees to The Bombay Stock Exchange has been paid for the financial year 2014-15.

DIRECTORS

Mr. Janardan Joshi, retires by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect of Director's Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit of the Company for the year ended that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- (iv) the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

PERSONNEL

The Company has not paid any remuneration attracting the provision of the Companies (Particulars of employees) Rules 1975 read with the Section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

CORPORATE GOVERNANCE

In terms of clause 49 of the Listing Agreement with the Stock Exchanges a report on the Corporate Governance is appended as annexure to this report.

CONSOLIDATED FINANCIAL STATEMENTS:

- i) Company has one subsidiary – Premier Equity Limited. As required under the listing agreement with the Stock exchange, the audited consolidated financial statements of the Company incorporating its subsidiary company prepared in accordance with applicable Accounting Standards are attached.
- ii) The Ministry Of Corporate Affairs has by its notification dated 8th February 2011 granted a general exemption to companies, as per which, the provision of section 212 shall not apply in relation to subsidiaries, subject to the fulfillment of certain conditions. Accordingly the consolidated financial statements of the holding company and subsidiary duly audited by its statutory auditors have been presented and the individual account of the subsidiary company has not been attached.
- iii) Any shareholder may either ask for a copy or inspect at the registered office a copy of the audited accounts of the subsidiary company.

AUDITORS & AUDITORS REPORT

M/s P.C.Surana & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.



The Company has received a letter from M/S. P.C.Surana & Co., to the effect that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified from such appointment within the meaning of section 226 of the Companies Act, 1956.

PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, the relevant information is given below:-

A. CONSERVATION OF ENERGY :-

- a) **Energy Conservation Measures Taken:** Energy conservation remains one of the most important areas of plant's performance and is being continuously monitored. Some of the measures taken are:
 - i. Separate energy meters have been installed for effectively monitoring the section wise energy consumption.
 - ii. Additional capacitor banks have been installed in different section.
 - iii. We have made optimum use of electrical motors and day light resources at plant.
- b) **Additional investments and proposals, if any being implemented for reduction in consumption of energy:** Re-sizing of the motors is being done to run the motors at full load conditions.
- c) **Impact of measures at (a) and (b) above for reduction in energy and consequent impact on the cost of production of goods:** Energy conservation measures have led to reduction in the cost of production
- d) **Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the schedule thereto:**

A. Power and Fuel Consumption

	<u>2013-2014</u>	<u>2012-2013</u>
1. Electricity		
a) Purchased Units	7606703	9057737
Total Amount (Rs. In lakhs)	491.96	637.18
Rate/Unit (Rs.)	6.47	7.03
b) Own Generation		
i) Through Diesel Generator		
Unit	Nil	Nil
Units per Ltr. Of Diesel Oil	Nil	Nil
Cost/Unit (Rs. in lakhs)	Nil	Nil
ii) Through steam turbine/generator		
Units	Nil	Nil
Units per Ltr. Of Oil/Gas	Nil	Nil
Cost/unit	Nil	Nil

2. Coal

Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil

3. Furnace Oil

Quantity (k.ltrs.)	Nil	Nil
Total Amount(Rs. in lakhs)	Nil	Nil
Average Rate/Unit (Rs.)	Nil	Nil

4. Others/Internal Generation

Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil

Consumption per Unit Production:

	Standards	<u>2013-14</u>	<u>2012-13</u>
	(if any)		
Electricity			
At Palghar Unit	Per Meter	-	1.49
At Rakhanpur Unit	Per Kilograms	11.83	11.82
Furnace Oil	-	-	-
Coal	-	-	-
Others	-	-	-

B. TECHNOLOGY ABSORPTION :

The Company is regularly getting its products tested by Ahmedabad Textile Industry Association (ATIRA), one of the premier textile research bodies at Ahmedabad. The Company is also sending its delegates from time to time to participate in the seminars and conferences organized by ATIRA to share information pertaining to research and development and innovations in the textile products. Such participation enables the Company to absorb and adopt the latest available technology in the industry. The Company is not using imported technology in the manufacturing process.

C. Foreign Exchange Earnings and Outgo

Earnings : Rs. Nil (Previous year Rs. Nil).

Outgo : Rs. Nil (Previous year Rs. Nil).

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude, the co-operation and assistance given by the Bankers and Customers of the Company during the year under review.

For and on behalf of the Board

Place : Mumbai
Date : 28th April, 2014

Anand Arya
Chairman



Report on Corporate Governance

(Annexure to Directors' Report)

1. Corporate Governance:

The Company firmly believes in the principles of Corporate Governance and is committed to conduct its business in manner, which will ensure sustainable, capital-efficient and long-term growth thereby maximizing value for its shareholders, customers, employees and society at large. The Company's policies are in line with Corporate Governance guidelines prescribed under Listing Agreement/s with Stock Exchanges and the Company ensures that various disclosures requirements are complied in 'letter and spirit' for effective Corporate Governance.

2. Board of Directors:

a) The Board of Directors comprises of Executive and Non-Executive Directors. The Executive and Non-Executive Directors are expert professionals in their respective fields. The provisions for appointment of Directors, their powers and meetings are contained in the Articles of Association of the Company. The Company has not entered into any materially significant transaction with its promoters, Directors, the management, their subsidiaries or any relatives thereof that may have potential conflict with the interest of the Company at large. During the previous financial year Four Board Meetings were held on 28th May, 2013, 14th August, 2013, 11th November, 2013, 14th February, 2014. The particulars of Board of Directors, its Meetings and Annual General Meetings attended by Directors are given hereunder:-

Name of the Directors	Category	Date of Appointment	No. of other Director-ships held	No. of Meetings attended during financial year 01.04.13 to 31.03.14	Attendance at the last A.G.M.	No. of Membership/ Chairmanship in Committees across all the Companies
Mr.Anand Arya (AA) (Promoter)	Chairman	26.09.1985	5	4	Yes	Chairmanship –Nil Membership - Nil
Mr.Suresh John (SJ)	Non-Executive Director	04.06.1996	2	Nil	Yes	Chairmanship –Nil Membership – 3
Mr.S.K.Tambawalla (SKT)	Independent Director	28.03.2009	2	4	Yes	Chairmanship – 4 Membership – 1
Mr. Janardan Joshi(JJ)	Independent Director	30.06.2009	3	4	Yes	Chairmanship – 7 Membership – 1

b) Details of sitting fees, remuneration, etc. paid/payable to Directors during the year ended on 31st March, 2014:

Name of the Directors	Remuneration paid during the year (Rs.)	Sitting Fees paid during the year (Rs.)	Total (Rs.)
Mr. Anand Arya (Chairman & Whole-Time Director)	---	---	---
Mr. Suresh John(Non-Executive Director)	---	---	---
Mr. S K Tambawalla(Independent Director)	---	2,000/-	2,000/-
Mr. Janardan Joshi(Independent Director)	---	2,000/-	2,000/-

No salary, bonus and benefits, other fixed component or performance-linked incentives or stock options were paid during the year to any of the Directors.

c) Other Provisions as to Board and Committee:

The Board Meetings were held on 28th May, 2013, 14th August, 2013, 11th November, 2013, 14th February, 2014 with a maximum time gap of four months between any two meetings. None of the Directors of the Company is a member of more than ten Committees or acts as



a Chairman of more than five Committees across all Companies in which he is a Director. For the purpose of considering the limits of the Committees on which a Director can serve, only three Committees viz. Audit Committee, Remuneration Committee and Shareholders Grievance Committee are considered. Every Director has informed the Company about Committee positions he occupies in other Companies.

d) Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year.

3. Audit Committee

a) Brief description of terms of reference: To review the financial reporting process and financial statements, the accounting policies and practices and to examine the accounting, taxation and disclosure aspect of significant transactions and other items as per clause 49 II (D) of the Listing Agreement.

The Audit Committee comprises of three Directors with majority of them being Independent Directors. The Chairman of the Audit Committee is an Independent Director having financial and accounting knowledge. The Chairman of the Audit Committee was present at the previous Annual General Meeting to answer shareholder's queries.

b) The Composition of the Audit Committee as on 31st March, 2014 was as under:-

1. Mr. S K Tambawalla (SKT) - Chairman
2. Mr. Suresh John (SJ) - Member
3. Mr. Janardan Joshi (JJ) - Member

c) Meetings and attendance during the year from April 2013 to March 2014:

Date of Meeting	Attendance Recorded		
	SJ	JJ	SKT
28.05.2013	No	Yes	Yes
14.08.2013	No	Yes	Yes
11.11.2013	No	Yes	Yes
14.02.2014	No	Yes	Yes

- d) -** Shri Janardan Joshi, an Independent Director is on the Board of Premier Equity Limited a Subsidiary of the Company.
- The Audit Committee reviews the financial statements and general working of Premier Equity Limited, a Subsidiary Company.

4. Management

Management Discussion and Analysis, forming part of Directors' Report, contains discussion on the required matters.

Disclosures by Management

- a)** All details of financial and commercial transactions where Directors may have an interest are provided to the Board and interested Directors neither participate in the discussion, nor do they vote on such matters. There are no transactions of material nature with the promoters, Directors or their relatives, etc. that may have potential conflict with the interests of the Company.
- b)** As required by Accounting Standard AS-18, details of related party transactions are given in Schedule containing notes forming part of Balance Sheet and Profit & Loss Account.

5. Shareholders

a) Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are given hereunder:

Name of Director	Mr. Janardan Joshi
Date of Birth	30.01.1960
Date of Appointment	03.06.2009
Expertise in specific functional areas	Accounting
Qualifications	M.Com., P.G. Diploma in Business Administration, Diploma in Material Management.



List of other public limited Companies in which Directorship held	Blue Blends Petrochemicals Ltd. Premier Equity Ltd.
Chairman/Member of the Committees of the Board of other Companies in which he is a Director	Blue Blue Petrochemicals Limited- Audit Committee - Chairman and Shareholders Grievance Committee - Member

- b) A Committee named as Shareholder’s Grievance Committee under Chairmanship of a Non Executive Director is constituted to look into the redressal of shareholders complaints. The details are as under :

Composition, names of members and Chairperson of Shareholders Grievance Committee	1. Mr. Janardan Joshi (Chairman) (Independent Director) 2. Mr. Suresh John (Member) (Non-Executive Director)
Name and designation of Compliance Officer	Mr. Suresh John
Number of shareholders complaints received so far	There is no pending grievance of shareholders. During the year Company had not received any complaints from the shareholders.
Number not solved to the satisfaction of shareholders	Nil
Number of pending share transfers	Nil

6. Compliance Certificate

Compliance Certificate for Corporate Governance from the Auditors of the Company is annexed herewith.

7. General Body Meetings

Location and time of last three AGM’s held:

Location	Date	Time
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	28.09.2011	3.00 A.M.
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	21.06.2012	3:00 P.M.
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	12.08.2013	3:00 P.M.

- Resolution passed through Postal Ballot on 22/04/2013.

Two Special resolutions were passed on 22nd April, 2013 through Postal Ballot, pursuant to the Section 192A of the Companies Act, 1956 read with the Companies (Passing Resolution by Postal Ballot Rules, 2001) in respect of the following item of business:

- Special Resolution pursuant to Section 106 and other applicable provisions, if any, of the Companies Act, 1956 whereby consent of the Shareholders of 15% 680000 Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- each has been obtained :
 - for waiver of arrears of preference dividend up to 31.03.2012 and which shall be now 0% Redeemable Cumulative Non Convertible Preference Shares and
 - for extension of period of redemption of these Preference Shares upto 30.09.2015.
- Special Resolution pursuant to Section 106 and other applicable provisions, if any, of the Companies Act, 1956 whereby consent of the shareholders of 0% 270000 Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- each has been obtained for extension of period of redemption upto 30.09.2015.

The above resolutions were passed by the requisite majority of 100% each. The result of the postal ballot was declared on 22nd April, 2013.

8. Disclosures

- a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with interests of company at large:**

NIL



- b) **Accounting Treatment:** In the preparation of financial statement the Company has followed the prescribed Accounting Standards.
- c) **There was no non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The shares of the Company are in Demat segment and are available for Demat with CDSL. ISIN allotted to the Company's shares is **INE940N01012**. Application of the Company for admission of its securities with NSDL is still under process.

9. Compliance with Non Mandatory Requirements

a) Remuneration Committee :

The Composition of the Remuneration Committee as on 31st March, 2014 was as under :

1. Mr. Janardan Joshi (JJ) - Chairman
2. Mr. S.K Tambawalla (SKT) - Member
3. Mr. Suresh John (SJ) - Member

Remuneration Committee is constituted to consider and approve Remuneration to Managerial Personnel. During the year, one meeting of the Remuneration Committee was held on 11.02.2014.

- b) **Whistle Blower Policy :** The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal & unethical behaviour. The Company has a Whistle Blower policy wherein the employees are free to report violation of law, rules, regulations & unethical behaviour to their immediate superior or such other persons as may be notified by the management to the work groups.

The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practice.

10. Means of Communication

- a) The quarterly reports are published through Stock Exchanges and newspapers, namely, Business Standard (English) and Mumbai Lakshadeep (Marathi).
- b) The information of investors' interest is communicated either directly to the shareholders or through stock exchanges.
- c) Website of the Company is www.premiersyntheticsltd.com
The Website of the Company is periodically updated & results (Quarterly, Half Yearly & Yearly) are posted on the same.
- d) Official news releases are also posted on the Website.

11. General Shareholder Information

AGM : Date, time and venue	:	Monday, 28 th July, 2014 at 3:00 p.m.at JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.
Financial Calendar	:	1 st April to 31 st March
Date of Book Closure	:	From Monday, 21 st July, 2014 To Monday, 28 th July, 2014 (both days inclusive)
Dividend Payment Date	:	N.A.
Listing on Stock Exchanges	:	BSE
Stock Code	:	BSE Stock Code : 509835
Market Price Data and performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc.	:	Since no trading had taken place during the year under review, the market price data and performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc. are not given.
Registrar and Transfer Agents	:	Sharex Dynamic (India) Pvt. Ltd.Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East),Mumbai – 400 072.Tel. : 2851 5606, 2851 5644Fax : 2851 2885 E-Mail ID : sharexindia@vsnl.com
Share Transfer System	:	Transfer of shares in physical form is normally processed within fifteen days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the transfer agent and are submitted to the Company for approval thereafter. The authorized official of the Company approve the transfer and the shares are returned to the shareholder.



PREMIER SYNTHETICS LIMITED

Shareholding Pattern as on 31.03.2014

Sr. No.	Category	No. of shares held	Percentage of shareholding	No. of Shares Pledged	% of Pledged Shares
A.	Promoter's holding				
1.	Promoters				
	- Indian Promoters	26,30,119	72.19	14,00,000	53.23
	- Foreign Promoters	0	0.00	0	0.00
2.	Persons acting in concert	0	0.00	0	0.00
	Sub – Total	26,30,119	72.19	14,00,000	53.23
B.	Non-Promoter's Holding				
3.	Institutional Investors				
a.	Mutual Funds and UTI	1,56,375	4.29	0	0.00
b.	Banks, Financial Institutions, Insurance Companies (Central/State Gov. Institutions/Non-Government Institutions)	28,900	0.79	0	0.00
c.	FIs	0	0.00	0	0.00
	Sub – Total	1,85,275	5.09	0	0.00
4.	Others				
a.	Private Corporate Bodies	3,95,050	10.84	0	0.00
b.	Indian Public	4,32,756	11.88	0	0.00
c.	NRIs/OCBs	0	0.00	0	0.00
d.	Any other (Please specify)	0	0.00	0	0.00
	Sub – Total	8,27,806	22.72	0	0.00
	GRAND – TOTAL	36,43,200	100.00	14,00,000	38.43
	TOTAL FOREIGN HOLDING	Nil	Nil	N.A	N.A

Distribution of Shareholding as on 31.03.2014

Share holding of nominal value of (Rs.)	Number of Shareholders	% to Total Shareholders	Number of Shares	Share Amount (In Rs.)	% to Total Share Amount
Upto 5,000	346	82.58	50781	507810	1.39
5,001 - 10,000	29	6.92	21500	215000	0.59
10,001 - 20,000	12	2.86	17350	173500	0.48
20,001 - 30,000	7	1.67	17310	173100	0.48
30,001 - 40,000	1	0.24	3750	37500	0.10
40,001 - 50,000	1	0.24	4800	48000	0.13
50,001 - 1,00,000	3	0.72	22500	225000	0.62
1,00,001 & Above	20	4.77	3505209	35052090	96.21
	419	100.00	36,43,200	3,64,32,000	100.00



Dematerialization of shares and Liquidity	:	The shares of the Company are in Demat segment and are available for Demat with CDSL and application of the Company for admission of its securities with NSDL is still under process. As on 31 st March, 2014, 2958170 Equity Shares of the Company representing 81.20% of the Company's share Capital has been Dematerialised. Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's Shares is INE940N01012 .
Outstanding GDRs/ADRs/ Warrants Or any Convertible instruments, Conversion date and likely Impact on equity	:	Nil
Plant Locations	:	Block No. 835(P), 836 & 837, Mouje Rakanpur, Village Santej, Taluka Kalol, Distt. Mehsana, (Gujarat).
Address for correspondence	:	Premier Synthetics Limited, JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002. Tel. 2208 8736
Name of the Contact Person	:	Mr. Tapan Maulik

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board Members and Senior Management personnel of the Company.

CEO/CFO CERTIFICATION

We, in our official capacity do hereby confirm and certify that:-

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2014 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2013-14 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that there are no:
- significant changes in internal control during the year ended on 31st March, 2014.
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For PREMIER SYNTHETICS LIMITED

Anand Arya **Janardan Joshi**
Chairman & Whole Time Director Director

Place : Mumbai
Date : 28th April, 2014



CERTIFICATE

To,
The Members of
Premier Synthetics Limited

We have examined the compliance of conditions of corporate governance by **Premier Synthetics Limited**, for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange, Mumbai.

The Compliance of conditions for corporate governance is the responsibility of the management. Our examination was limited to procedure 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 explanation given to us, we certify that the Company has complied with all the material conditions on Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the record maintained by the Shareholders/Investors Grievance Committee.

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

For P. C. Surana & Co.
Chartered Accountants
(Registration No. 110631W)

P. C. Surana
Partner
M.No.17136

Place : Mumbai.
Dated : 28th April, 2014



MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2014

a) Industry Structure & Development:

The Indian Textile Industry is one of the oldest and largest industries in the country. It contributes about 15% of the Industrial Production in the country. It offers employment opportunities to substantial number of skilled and unskilled manpower and is considered to be second largest employment generator after agriculture.

The Indian Textile Industry is having fragmented structure with dominance of small manufacturers spread across the country. Due to various constraints faced by small- scale operators the industry faces low margins and productivity. There is immense competition amongst the players. The fragmentation of supply base is a great barrier in achieving integration amongst various links in the supply chain though availability of raw materials like cotton, man-made fibre, jute and silk and availability of low cost skilled manpower in abundance are positive strength of the Indian textile Industry.

b) Segment-wise or Product-wise Performance:

The Company is having only spinning unit. The spinning unit of the Company is engaged in jobwork and performance of unit witnessed a considerable improvement during the reporting period.

c) Outlook, Opportunities, Threats, Risks & Concerns:

The immediate outlook for the industry in which the Company is operating is enthusiastic, as the demand for the Denim fabrics never fades away. Hence the Company is optimistic about the long term prospects of the industry.

d) Internal Control System and their adequacy:

The Company has a proper and adequate system of internal control to ensure that all resources are put to efficient use and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

The Company's internal control systems are periodically tested and certified by the Company's statutory as well as the internal auditors.

e) Financial Performance :

(Rs. in lakhs)

Particulars		Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Gross Income	:	2245.43	1837.62
Profit before Depreciation, Interest & tax	:	492.86	308.96
Less : Depreciation	:	255.33	264.28
Less: Interest	:	172.97	44.01
Profit before Exceptional Items & Taxes	:	64.56	0.67
Add: Exceptional Items	:	-	1149.23
Profit before Tax	:	64.56	1149.90
Less: Provision for Taxation	:	(199.19)	(18.30)
Profit After Tax	:	263.75	1168.20
Add: Balance of loss from previous Year	:	(3614.90)	(5140.62)
Balance carried over to Balance Sheet	:	(3351.15)	(3614.90)

f) Human Resources:

The company considers human resources as one of the vital and important factors for sustained growth. The human resources strategy is to attract talent in the industry, develop and upgrade their skill and competence on the job and ensure employees satisfaction through reward, appreciation and development of environment based on culture and values nurtured by the Group over the years.

g) Cautionary Statement :

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking" statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

For Premier Synthetics Limited

Place : Mumbai
Date : 28th April, 2014

Anand Arya
Chairman



Independent Auditors' Report

To the Members of

PREMIER SYNTHETICS LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of **PREMIER SYNTHETICS LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year ended and a Summary of Significant Accounting Policies and other Explanatory Information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our Audit. We conducted our Audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the Accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit & Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flows Statement dealt with by this Report are in agreement with the books of Account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2014, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of Section 274(1)(g) of the Act.

For P.C. SURANA & CO.
Chartered Accountants
(Registration No. 110631W)

(P C Surana)
Partner

Place: Mumbai
Date: 28th April, 2014

Membership No.17136



Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the head of "Report on Other Legal and Regulatory Requirements" of our report of even date.

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full Particulars details including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company are not affected.
- (ii) In respect of its inventories:
- (a) As explained to us, the management has physically verified inventories during the year. In our opinion the frequency of verification is reasonable
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification as compared to the book records.
- (iii) In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
- a) The Company has not given any loan to such parties during the year. In respect of loan given to one such party in earlier years, the maximum amount outstanding at any time during the year was Rs. 100.50 lacs and the year-end balance is Rs.Nil.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of the loans given by the Company are prima facie not prejudicial to the interest of the Company.
- c) The principal amounts are repayable on demand and the loans given are interest free.
 - d) In respect of the said loans and interest thereon, there are no overdue amounts.
 - e) The Company has taken loans from three such parties during the year and in respect of loans taken from total seven such parties the maximum amount payable at any time during the year was Rs.3079.04 lakhs and the year end balance is Rs.872.97 lakhs.
 - f) In our opinion, and according to the information and explanations given to us, the rate of interest and other terms and conditions were not prejudicial to the interest of the Company.
 - g) The principal amount of the loan was repayable on demand and interest, if any, was also payable on demand.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) In respect of transactions covered under section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
 - (vii) In our opinion the internal audit system of the Company is adequate commensurate with its size and nature of its business.
 - (viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of products of the Company.



- (ix) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us there are no disputed dues in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax and Custom Duty except demand of Excise Duty of Rs.14.40 lakhs for the financial years 2001 to 2004 raised by The Commissioner of Central Excise, Ahmedabad against which the Company is in appeal before the Central Excise and Service Tax Appellate Tribunal, Ahmedabad.
- (x) The Company has accumulated losses of Rs.3351.15 lacs at the end of the Current Year (Previous Year Rs.3,614.91 lacs). It did not incur any cash loss during the current year under report as well as in the immediately preceding previous year.
- (xi) According to the explanations and information given to us, the Company does not have any outstanding amount payable to any bank or financial institution.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- (xv) The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (xvi) The term loans raised by the Company have been applied by the Company for the purpose for which such loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not used the funds raised on short term basis for long term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company does not have any debentures issued at the end of the current year and hence there arises no question of creating any security or charge for that.
- (xx) The Company has not raised any money by way public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For P.C. SURANA & CO.
Chartered Accountants
(Registration No. 110631W)

(P C Surana)
Partner

Place: Mumbai
Date: 28th April, 2014

Membership No.17136



BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rs.)

Particulars	Note No.		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
I EQUITY & LIABILITIES				
1 Shareholders' Funds				
a) Share Capital	2	131,432,000	131,432,000	
b) Reserves & Surplus	3	89,752,389	(86,623,053)	
c) Money received against share warrants		-	-	
			221,184,389	44,808,947
2 Share application money pending allotment				
			-	-
3 Non-current Liabilities				
a) Long-term borrowings	4	154,537,269	241,000,000	
b) Other long term liabilities	5	110,000,000	40,000,000	
c) Long-term provisions for employees benefits		5,277,480	4,787,670	
			269,814,749	285,787,670
4 Current Liabilities				
a) Short-term borrowings	6	41,697,500	94,819,062	
b) Trade payables		16,188,954	24,404,967	
c) Other current liabilities	7	1,089,500	33,761,142	
d) Short-term provisions		-	-	
			58,975,954	152,985,171
TOTAL			549,975,092	483,581,788
II ASSETS				
1 Non-current Assets				
a) Fixed Assets				
i) Tangible Assets	8	364,143,981	241,067,171	
ii) Intangible Assets		-	-	
iii) Capital Work-in-Progress		-	-	
iv) Intangible Assets under development		-	-	
b) Non-current Investments	9	25,000,000	20,000,000	
c) Deferred tax assets (net)	10	57,500,000	37,581,050	
d) Long-term loans and advances		-	-	
e) Other non-current assets		-	-	
			446,643,981	298,648,221
2 Current Assets				
(a) Current Investments	11	29,457,000	34,726,165	
(b) Inventories	12	19,937,452	5,235,870	
(c) Trade Receivables	13	42,952,573	121,624,952	
(d) Cash and Cash equivalents	14	395,551	780,128	
(e) Short-term loans and advances	15	2,272,213	13,745,485	
(f) Other current assets	16	8,316,322	8,820,967	
			103,331,111	184,933,567
TOTAL			549,975,092	483,581,788
Significant Accounting Policies 1				
Notes forming part of the Financial Statements 2-33				

As per our report of even date

For P.C. Surana & Co.

Chartered Accountants
(Registration No. 110631W)

P.C. Surana

Partner
M.No. 17136

Place :- Mumbai

Date :- 28th April, 2014

For and on behalf of the Board

Anand Arya

Chairman & Wholetime Director

S. K. Tambawalla

Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	(Amount in Rs.)	
		2013-14 Rs.	2012-13 Rs.
(I) Revenue from Operations	17	223,573,316	183,134,214
(II) Other Income	18	970,373	627,930
(III) Total Revenue (I) + (II)		<u>224,543,689</u>	<u>183,762,144</u>
(IV) EXPENSES			
Purchases in Stock in Trade		71,051,569	113,135
Changes in inventories of finished goods, work in progress and Stock-in-trade	19	(14,740,835)	(25,376)
Employee benefits expenses	20	25,794,354	24,448,147
Finance Costs	21	17,296,616	4,401,052
Depreciation and amortization expenses	22	25,533,424	26,428,417
Other expenses	23	93,152,069	128,330,080
Total Expenses		<u>218,087,197</u>	<u>183,695,455</u>
(V) Profit before Exceptional Items & Taxes		6,456,492	66,689
(VI) Exceptional Items - (Net)	24		114,923,676
(VII) Profit before tax (V+VI)		6,456,492	114,990,365
(VIII) Tax Expenses :			
(1) Current tax		-	-
(2) Deferred tax		<u>(19,918,950)</u>	<u>(1,829,830)</u>
		(19,918,950)	(1,829,830)
(IX) Net Profit After Tax		26,375,442	116,820,195
(X) Earning Per Equity Share	25		
Before Exceptional Itmes			
1. Basic		7.24	0.52
2. Diluted		7.24	0.52
After Exceptional Itmes			
1. Basic		7.24	32.07
2. Diluted		7.24	32.07
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2-33		

As per our report of even date

For P.C. Surana & Co.

Chartered Accountants
(Registration No. 110631W)

P.C. Surana

Partner
M.No. 17136

Place :- Mumbai

Date :- 28th April, 2014

For and on behalf of the Board

Anand Arya

Chairman & Wholetime Director

S. K. Tambawalla

Director



Notes on Financial Statements for the Year Ended on 31st March, 2014

“1” SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) referred to in Section 211 (3C) of the Companies Act, 1956.

a) General

- i) Accounting policies not specifically referred to otherwise be in consistence with earlier years and in consonance with generally accepted accounting principles.
- ii) Expenses and income considered payable and receivable respectively are accounted for on accrual basis.

b) Sales

- i) Sales are accounted on mercantile basis, when the sale of goods is completed.
- ii) Service charges are billed to the customers on completion of their production order.

c) Valuation of Inventories

- i) Inventories of Raw materials and Work in progress are valued at cost.
- ii) Stocks in Trade and Stock of Finished Goods are valued at lower of cost and net realisable value.

d) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent they related to the period till such assets are ready to be put to use.

e) Depreciation / Amortization

- i) Depreciation on the fixed assets is charged on Straight Line Method at the rates prescribed by Schedule XIV to the Companies Act,
- ii) Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis with reference to the month of addition or deletion.
- iii) No amortization is made for leasehold land, which are under perpetual lease.

f) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of such investments.

g) Foreign Currency Transactions

Foreign Currency transactions are recorded in the books by applying the exchange rates as on the date of the transaction. Foreign Currency Assets & Liabilities are converted at the exchange rate prevailing on the date of the Balance Sheet and the resultant exchange difference is adjusted to the profit & Loss account except in the case of Foreign Currency Liabilities arising on account of acquisition of Fixed Assets, where such exchange difference is adjusted to the cost of the assets.

h) Retirement Benefits

Staff benefits arising out of retirement/ death comprising of contributions to Provident Fund, Gratuity Scheme and other post separation benefits are accounted for on the basis of the schemes or by an independent actuarial valuation at the year-end as the case may be.

i) Taxes on Income

- i) Income Tax is computed in accordance with Accounting Standard 22, "Accounting for Taxation on Income" issued by the ICAI.
- ii) Provision for current income tax is made in accordance with the provisions of Income tax- Act, 1961.
- iii) The differences between taxable income and net profit or loss before tax for the year, as per the financial statements, are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences i.e. differences that originate in one accounting period and reverse in another.
- iv) Deferred tax assets are recognised only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

j) Provisions, Contingent Liabilities and Contingent Assets

Provisions, involving substantial degree of estimation in measurement, are recognized when there is a present obligation as a result of past events and is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

"2" Share Capital	As at 31.03.2014	(Amount in Rs.) As at 31.03.2013
	Rs.	Rs.
Authorised		
1,00,00,000 (Previous Year -1,00,00,000)		
Equity Shares of Rs.10 each	100,000,000	100,000,000
20,00,000 (Previous Year -20,00,000)		
Preference Shares of Rs.100 each	<u>200,000,000</u>	<u>200,000,000</u>
	<u>300,000,000</u>	<u>300,000,000</u>
Issued,Subscribed & Fully paid up		
Cumulative Redeemable Preference Shares		
0% 9,50,000 (Previous Year -0% 9,50,000) Redeemable Cumulative	95,000,000	95,000,000
Non Convertible Preference Share of Rs.100 each		
Equity Shares		
36,43,200 (Previous Year -36,43,200) Equity Shares of Rs.10 each fully paid up of Rs.10 each	36,432,000	36,432,000
	<u>131,432,000</u>	<u>131,432,000</u>

- Note: (i) Reconciliation of number of above shares outstanding at the beginning and at the end of the year is not given as there is no change in number of shares and amount in above share capital from the previous year.
- (ii) Preference Shares are Redeemable on 30.09.2015 and carry no dividend right.

Details of Share holding more than 5% Shares:-

Cumulative Redeemable Preference Shares	No. of shares	% held	No. of shares	% held
i) 0% (Previous Year 0%) Redeemable Cumulative				
Non Convertible Preference Share				
Blue Blends (India) Limited	800,000	84.21	310,000	32.63
Blue Blends Holding Limited	-	-	170,000	17.89
Blue Blends Equity Limited	150,000	15.79	200,000	21.05
Blue Blends Leasing Private Limited	-	-	115,700	12.18
Cressida Traders Private Limited	-	-	86,250	9.08
Murbad Syntex Private Limited	-	-	68,050	7.16
Equity Shares				
Anand Arya	986,611	27.08	958,331	26.30
Indu Arya	734,848	20.17	734,848	20.17
Cressida Traders Pvt. Ltd.	835,000	22.92	-	-
Blue Blends Finance Ltd.	-	-	1,147,430	31.50



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	As at 31.03.2014 Rs.	(Amount in Rs.) As at 31.03.2013 Rs.
“3” Reserves & Surplus		
Securities Premium Reserve		
Balance as per last Balance Sheet	32,210,000	32,210,000
Revaluation Reserve		
Reserve created during the year on revaluation of land	150,000,000	-
General Reserve		
Balance as per last Balance Sheet	-	35,751,220
Less: Transferred to Profit and Loss Account	-	<u>(35,751,220)</u>
	-	-
Capital Reserve		
Balance as per last Balance Sheet	242,657,550	242,657,550
Profit and Loss Account		
Balance as per last Balance Sheet	(361,490,603)	(514,062,018)
Add : Transferred from General Reserve	-	35,751,220
Add : Profit for the Current Year	<u>26,375,442</u>	<u>116,820,195</u>
	<u>(335,115,161)</u>	<u>(361,490,603)</u>
	<u>89,752,389</u>	<u>(86,623,053)</u>
“4” Long term borrowings		
Secured		
Term Loans		
From Others - Edelweiss Asset Reconstruction Co. Ltd.	99,537,269	161,000,000
Unsecured		
- From Related Parties	55,000,000	80,000,000
- From others	<u>55,000,000</u>	<u>80,000,000</u>
	<u>154,537,269</u>	<u>241,000,000</u>
“4.1”	The Secured Term Loans is secured by hypothecation of Stocks and Book Debts and first charge on the fixed assets of the Company and are personally guaranteed by Promoter Director of the Company Mr. Anand Arya .	
“4.2”	The entire secured term loan is repayable in financial year 2015-16.	
“4.3”	Premium payable on redemption/full & final repayment of Term loan will be accounted for in the year of its determination.	
“5” Other Long Term Liabilities		
From Related parties	70,000,000	-
From Others	<u>40,000,000</u>	<u>40,000,000</u>
	110,000,000	40,000,000



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in Rs.)

As at 31.03.2014
Rs.

As at 31.03.2013
Rs.

“6” Short term borrowings

Unsecured, repayable on Demand

Loans and Advances Repayable on Demand

- From Related Parties	32,297,500	21,319,062
- From others	9,400,000	73,500,000
	41,697,500	94,819,062
	41,697,500	94,819,062

“7” Other Current Liabilities

Current maturities of long term debt	-	15,000,000
Interest Accrued but not due on borrowing	-	304,730
Advances from Customers	-	18,353,998
Other Payables *	1,089,500	102,414
	1,089,500	33,761,142

* Includes Statutory dues.

“8” Tangible Assets

(Amount In Rs.)

Description of Asset	Gross Block				Depreciation				Net Carrying Value	
	As at 01.04.2013 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2014 Rs.	Upto 31.03.2013 Rs.	For the Year Rs.	Adjustments Rs.	Upto 31.03.2014 Rs.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
FREEHOLD LAND	3,185,086	150,000,000	-	153,185,086	-	-	-	-	153,185,086	3,185,086
LEASEHOLD LAND	3,403,944	-	-	3,403,944	-	-	-	-	3,403,944	3,403,944
FACTORY BUILDING	77,362,368	1,208,281	-	78,570,649	36,623,255	2,560,634	-	39,183,889	39,386,760	40,739,110
PLANT & MACHINERY	545,583,232	851,013	56,622,301	489,811,944	357,504,682	21,898,054	53,105,944	326,296,792	163,515,152	188,078,549
ELECTRIC INSTALLATION	21,977,954	46,000	858,939	21,165,015	17,263,830	953,988	815,992	17,401,826	3,763,189	4,714,125
FURNITURE & FITTINGS	2,395,459	-	217,699	2,177,760	2,075,801	19,444	206,812	1,888,433	289,327	319,657
VEHICLES	1,001,184	-	172,789	828,395	818,303	60,557	164,150	714,710	113,685	182,883
OFFICE EQUIPMENTS	625,432	73,000	106,841	591,591	339,153	22,733	98,664	263,222	328,369	286,278
COMPUTER	581,340	22,400	69,100	534,640	483,312	13,658	65,645	431,325	103,315	98,028
AIR CONDITIONER	82,507	-	-	82,507	22,997	4,356	-	27,353	55,154	59,511
Total	656,198,506	152,200,694	58,047,669	750,351,531	415,131,333	25,533,424	54,457,207	386,207,550	364,143,981	241,067,171
Previous Year	674,770,032	14,874,310	33,445,825	656,198,517	401,791,649	26,428,417	13,088,720	415,131,346	241,067,171	

Note :

The Lease hold land at Panoli has been taken back by GIDC for non payment of its claim of dues. The Company has settled the dues and has paid them according to the Order of the Maharashtra Tribunal, Mumbai dated 04/05/2012 now the G.I.D.C. is in process of restoring back the possession of the said Land at Panoli. Therefore the dues so paid have been capitalised to the lease hold land.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	As at 31.03.2014 Rs.	(Amount in Rs.) As at 31.03.2013 Rs.
“9” Non-current Investments		
Trade Investments (At Cost)		
In Preference Shares of Associate Company- Quoted, fully paid up		
0.01% 2,50,000 (Previous Year - 15% 2,00,000) Redeemable Cumulative Non -Convertible Preference Share of Rs.100/- each in Blue Blends (India) Limited	<u>25,000,000</u>	<u>20,000,000</u>
Total Non-current Investment	<u><u>25,000,000</u></u>	<u><u>20,000,000</u></u>
Notes :		
Aggregate Amount of Quoted Investments	25,000,000	20,000,000
“10” Deferred Tax Assests (Net)		
Deferred Tax Assests		
On Unabsorbed Depreciation	<u>57,500,000</u>	<u>37,581,050</u>
	<u><u>57,500,000</u></u>	<u><u>37,581,050</u></u>
“11” Current Investments		
Other Investments (At Cost)		
In Equity Shares of Associate Companies		
Quoted, fully paid up		
Nil (Previous year -2,56,200) Blue Blends Finance Ltd. of Rs.10/- each	-	5,269,165
4,70,000 (Previous year- 4,70,000) Blue Blends(India) Limited of Rs.10/- each	12,450,000	12,450,000
In Equity Shares of a Subsidiary Company		
Unquoted, fully paid up		
17,00,700 (Previous year -1,700,700) Premier Equity Limited of Rs.10/- each	<u>17,007,000</u>	<u>17,007,000</u>
Total Current Investment	<u><u>29,457,000</u></u>	<u><u>34,726,165</u></u>
Aggregate amount of Quoted investments	12,450,000	17,719,165
Market value of Quoted Investment	4,220,600	13,847,844
Aggregate amount of Unquoted investment	17,007,000	17,007,000
Out of above Investments, shares pledged against loans granted to other companies for which counter guarantees are available with the Company.		
Name of Script	No. of shares	Pledged with
0.01% Redeemable Cumm. Non-conv. Pref. Shares in Blue Blends (I) Ltd.	1,20,000	M/s Edelweiss Asset Reconstruction Co. Ltd.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(Amount in Rs.)		
“12” Inventories		
(As taken, valued & certified by the Management.)		
Raw- Materials	-	-
Work - in -progress	-	-
Finished Goods (At lower of cost and net realisable value)	-	-
Stock in Trade	14,850,835	110,000
Stores & Spare parts	4,355,689	4,146,298
Packing Material	730,928	749,780
Dyes, Chemicals & Lubricants	-	229,792
	19,937,452	5,235,870
“13” Trade Receivables		
(Unsecured)		
Over Six months		
Considered Good	1,348,443	121,624,952
Considered Doubtful	-	-
	1,348,443	121,624,952
Others (Consider good)	41,604,130	-
	42,952,573	121,624,952
“14” Cash and Cash Equivalents		
Balances with Bank		
In Current Accounts	185,782	632,463
Cash on hand	209,769	147,665
	395,551	780,128
“15” Short-Term Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind for value to be received		
To related parties (due from Companies in which Director of the Company is also a Director)	-	11,050,000
Others	2,272,213	2,695,485
	2,272,213	13,745,485
“16” Other Current Assets		
Balances with Revenue Authorities	244,441	741,324
Deposits with Public bodies	8,071,881	8,079,643
	8,316,322	8,820,967
	73,874,111	150,207,402



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	2013-14 Rs.	2012-13 Rs.
(Amount in Rs.)		
“17” Revenue from Operations		
a) Sale of Products	61,407,343	124,889
b) Sale of Services	161,422,552	181,937,125
c) Other Operating Revenues	743,421	1,072,200
	<u>223,573,316</u>	<u>183,134,214</u>
Less : Excise Duties	-	-
	<u>223,573,316</u>	<u>183,134,214</u>
“17”.1 Particulars of Sale of Products		
a) Fabrics	61,183,796	-
b) Garments	223,547	124,889
	<u>61,407,343</u>	<u>124,889</u>
“18” Other Income		
a) Interest income	710,221	614,014
b) Other non-operating income	260,152	13,916
	<u>970,373</u>	<u>627,930</u>
“19” Changes in Inventories of Finished goods, Stock in progress and Stock-in-trade		
Opening Stock		
Finished Goods	110,000	84,624
Semi Finished Goods	-	-
	<u>110,000</u>	<u>84,624</u>
Closing Stock		
Finished Goods	14,850,835	110,000
Semi Finished Goods	-	-
	<u>14,850,835</u>	<u>110,000</u>
	<u>(14,740,835)</u>	<u>(25,376)</u>
“20” Employees Benefits Expenses		
(a) Salaries and Wages	21,718,871	20,313,287
(b) Contribution to Provident & Other Funds	2,193,764	2,865,419
(c) Employees Welfare & other Amenties	1,881,719	1,269,441
	<u>25,794,354</u>	<u>24,448,147</u>
“21” Finance Cost		
(a) Interest Expenses	17,296,616	4,401,052
(b) Other Borrowing Costs	-	-
	<u>17,296,616</u>	<u>4,401,052</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	2013-14 Rs.	2012-13 Rs.
(Amount in Rs.)		
“22” Depreciation and Amortization Expenses		
Depreciation and amortization	<u>25,533,424</u>	<u>26,428,417</u>
	<u>25,533,424</u>	<u>26,428,417</u>
“23” Other Expenses		
Manufacturing Expenses		
Hank Yarn Obligation	2,101,321	2,944,616
Stores & Spares Consumed	9,302,055	15,738,909
Dyes, Chemicals & Lubricants	271,712	65,663
Testing Expenses	14,647	17,000
Labour & Job Charges	5,190,112	9,352,799
Other Factory Overheads	89,809	84,604
Power and Fuel Charges	49,196,227	63,717,726
Machinery Hire Charges	8,820,000	7,560,000
Repairs to Buildings	421,874	226,531
Repairs to Plant & Machinery	<u>1,520,750</u>	<u>2,265,094</u>
	76,928,507	101,972,942
Sales & Distribution Expenses		
Packing Materials	5,790,496	6,296,443
Sales Promotion & Advertisement Expenses	61,227	37,269
Brokerage, Commission & Discount	6,742	341,512
Freight & Forwarding Charges	<u>2,950,750</u>	<u>3,473,701</u>
	8,809,215	10,148,925
Establishment Expenses		
Rent	292,426	443,975
Rates & Taxes	329,264	299,711
Other Repairs	75,821	98,771
Postage & Telephone	121,595	161,017
Printing & Stationery	245,709	329,761
Travelling Expenses	22,180	90,640
Conveyance Expenses	504,938	1,468,393
Legal & Professional Charges	318,963	973,060
Bank Charges	30,992	130,905
Annual Listing Fees	29,495	51,250
Director's Sitting Fees	4,000	6,500
Sundry Expenses	640,674	688,220



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in Rs.)

	2013-14 Rs.	2012-13 Rs.
Sundry Balances Written Off	489,164	129,767
Loss on Sale of Fixed Assets	764,415	9,958,491
Loss on Sale of Investment	2,142,796	-
Fixed Assets Discarded	76,045	192,354
Insurance Premium	337,293	282,205
Security Charges	888,577	803,193
Auditors' Remuneration	100,000	100,000
	<u>7,414,347</u>	16,208,213
	<u>93,152,069</u>	<u>128,330,080</u>

Value of Stores Spares , Dyes & Chemicals Consumed

“23.1” Stores & Spares

	Rs	% of Consumption	Rs	% of Consumption
Indegenious	7,228,231	77.71	11,289,763	71.73
Imported	2,073,824	22.29	4,449,146	28.27
	<u>9,302,055</u>	100.00	15,738,909	100.00

“23.2” Value of Imports on CIF Basic

	2013-14 Rs.	2012-13 Rs.
Stores & Spares	2,007,173	2,050,237
	<u>2,007,173</u>	<u>2,050,237</u>

“23.3” Payments to Auditors

	2013-14	2012-13
Statuary Audit fees	50,000	50,000
Tax Audit fees	25,000	25,000
Taxation Matters	25,000	25,000
	<u>100,000</u>	<u>100,000</u>

“23.4” Expenditure in Foreign Currency

Nil Nil

“24” Exceptional Items

Exceptional Items includes:

- i) Rs. Nil lacs (Previous year Rs.1697.83) of Capital Profit on sale of Company's land at Navi Mumbai
- ii) Rs. Nil lacs (Previous year Rs. 548.59) of Bad and Doubtful Debts and Advances written off



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	2013-14 Rs.	2012-13 Rs.
(Amount in Rs.)		
“25” Earning Per Equity Share		
Before Exceptional Itmes		
1. Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	26,375,442	1,896,519
2. Weighted Average number of equity shares used as denominator for calculating EPS	3,643,200	3,643,200
3. Basic and Diluted Earning per Share	7.24	0.52
4. Face Value per equity share (in Rs)	10.00	10.00
After Exceptional Itmes		
1. Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	26,375,442	116,820,195
2. Weighted Average number of equity shares used as denominator for calculating EPS	3,643,200	3,643,200
3. Basic and Diluted Earning per Share	7.24	32.07
4. Face Value per equity share (in Rs)	10.00	10.00
“26” Earning in Foreign Exchange	Nil	Nil

“27” No Provision for taxation has been made in view of the brought forwarded losses

“28” Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions during the year with the related parties are given below:

Related Parties/Nature of Relationship :

Key Managerial Persons

Mr. Anand Arya
Mr. Suresh John
Mr. S. K.Tambawalla
Mr. Janardan Joshi

Associates

Blue Blends (India) Ltd.
Bindal Synthetics Pvt. Ltd
Blue Blends Leasing Pvt. Ltd.
Agrawal Synthetics.
Silvassa Span Yarn Industries.
Blue Blends Petrochemicals Ltd.
Cressida Traders Pvt. Ltd.
Murbad Syntex Pvt. Ltd.
Darwin Platform Capital Ltd.



PREMIER SYNTHETICS LIMITED

Entwine Mobisoft Technologies Pvt. Ltd.

Mr. Aman Arya

Mrs. Indu Anand Arya

Subsidiary Company (100%)

Premier Equity Ltd

Nature of Transaction	Key Managerial Persons	Associates	Subsidiaries	Total
Job Charges Paid	-	1.07	-	1.07
	-	<i>19.06</i>	-	<i>19.06</i>
Job Charges Received	-	1,614.23	-	<i>1,614.23</i>
	-	<i>1,819.37</i>	-	<i>1,819.37</i>
Sale of Finished Goods	-	240.42	-	240.42
	-	-	-	-
Rent Paid	-	0.72	-	<i>0.72</i>
	-	<i>1.57</i>	-	<i>1.57</i>
Interest Paid	78.00	94.96		172.96
	<i>34.57</i>	<i>5.77</i>	<i>0.27</i>	<i>40.61</i>
Remuneration	-	-	-	-
	<i>4.02</i>		-	<i>4.02</i>
Sitting Fees	0.04	-	-	0.04
	<i>0.07</i>	-	-	<i>0.07</i>
Investment in Share Purchases	-	-	50.00	50.00
	-	-	-	-
Sale of Machinery	-	5.00	-	<i>5.00</i>
	-	-	-	-
Loans and advances Repaid (Net)	124.94	359.59		484.53
	-	<i>651.93</i>	<i>2.55</i>	<i>654.48</i>
Loans and advances Receipts (Net)	-	256.82	87.50	344.32
	<i>279.19</i>	-	-	<i>279.19</i>
Balances as at 31st March ,2014				
Loans & Advances Receipts	299.69	458.54	114.74	872.97
	<i>424.63</i>	<i>561.31</i>	<i>27.24</i>	<i>1,013.18</i>
Loans & Advances Given	-	-	-	-
	-	<i>100.50</i>	-	<i>100.50</i>
Deposits with	-	700.00	-	700.00
	-	<i>10.00</i>	-	<i>10.00</i>

Note : *Figures in Italic represent Previous Year's amount*



Disclosure in Respect of Material Related Party Transaction during the year

1. Job Charges Paid includes - Blue Blends (India) Ltd Rs 0.46 Lacs (2013 - Rs 4.78 Lacs)
Bindal Synthetics Pvt. Ltd. Rs 0.55 Lacs (2013 - Rs 7.34 Lacs)
Blue Blends Leasing Pvt.Ltd Rs 0.06 Lacs (2013 - Rs 6.94 Lacs)
2. Job Charges Received includes - Blue Blends (India) Ltd Rs 1614.23 Lacs (2013 - Rs 1819.37 Lacs)
3. Sale of Finished Goods - Blue Blends (India) Ltd Rs 240.42 Lacs (2013 - Nil)
3. Rent Paid includes - Blue Blends (India) Ltd Rs 0.06 Lacs (2013 - Rs 0.71 Lacs)
Bindal Synthetics Pvt. Ltd.Ltd Rs 0.36 Lacs (2013 - Rs 0.36 Lacs)
Agarwal Synthetics Rs 0.30 Lacs (2013 - Rs 0.50 Lacs)
- 4 a) Interest paid to Key Managerial Person includes - Mr Anand Arya, Rs 78.00 Lacs (2013 - 34.57 Lacs)
- b) Interest paid to Associates includes - Mr. Aman Anand Arya Rs.5.62 Lacs(2013 - 5.77 Lacs)
M/s Blue Blends (India) Ltd Rs 89.34 Lacs (2013 - Rs Nil)
- c) Interest paid to Subsidiary Company includes - M/s Premier Equity Ltd.Rs Nil (2013 - Rs 0.27 Lacs)
5. Remuneration includes- Mr. Suresh John Rs.Nil (2013 - Rs. 4.02 Lacs)
6. Investment in Share Purchases includes -
Purchase of 50000 Preference Share of Rs.100/- each in Blue Blends (India) Ltd from Premier Equity Ltd.Rs.50.00 lacs(2013 -Nil)
7. Sale of Machinery includes -
Sale of Machinery to Blue Blends (India) Ltd for Rs.5.00 lacs (2013 -Nil)
8. a) Loans & Advances Receipts includes :
Aman Anand Arya Rs. 140.82 Lacs (2013 - Payment Rs.100.82 Lacs)
Premier Equity Ltd.Rs 87.50 Lacs (2013 - Payment Rs 2.55 Lacs)
Blue Blends Petrochemicals Ltd. Rs. 116.00 Lacs (2013 - Payment Rs.11.18 Lacs)
- b) Loans and advances Re- Paid (Net) includes :
Anand Arya Rs. 124.44 Lacs (2013 - Receipts Rs.276.94 Lacs)
Suresh John Rs. 0.50 Lacs (2013 - Receipts Rs. 2.25 Lacs)
Blue Blends (India) Ltd. Rs. 256.97 Lacs (2013 - Rs.535.53 Lacs)
Bindal Synthetics Pvt. Ltd. Rs. 102.62 Lacs(2013 - Rs.4.40 Lacs)

9. Loans and Advances Balances:	Rs. in Lacs	
Received:	31.03.2014	31.03.2013
Anand Arya	297.94	422.38
Suresh John	1.75	2.25
Aman Arya	153.72	12.90
Blue Blends (India) Ltd. (Loan)	-	256.97
Bindal Synthetics Pvt. Ltd.	-	102.62
Blue Blends Petrochemicals Ltd.	304.82	188.82
Premier Equity Ltd.	114.74	27.24
Given :		
Cressida Traders Pvt. Ltd.	-	100.50
Deposit with - Blue Blends (I) Ltd.	700.00	10.00



“29” Segment Information

Textile business is the Company's only business segment ,hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on “Segment Reporting” is not applicable .

“30” Contingent Liabilities and Commitments

- i) Claims by parties/customers not acknowledged as debts Rs. 253.71 lakhs (Previous Year Rs.253.71 lakhs)
- ii) Demand of Excise duty of Rs 14.40 lacs raised by theThe Commissioner of Central Excise, Ahmedabad for the years from 2001 to 2004 has been disputed and has not been provided in the books. The Company is in appeal against the same with the Central Excise and Service Tax Appellate Tribunal,Ahmedabad and has been legally advised that it will not have any liability .

However the company has deposited Rs. 3.60 lacs under protest with the respective Central Excise Authorities.

“31” Balances of Sundry Debtors, Creditors, Loans and Advances and transactions are subject to their confirmation .

“32” Except otherwise mentioned herein, in the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business and the provision of all known liabilities are adequate and not in excess of the amount reasonably necessary

“33” Previous Year figures have been regrouped and recasted wherever necessary.

Signatures to Schedules 1 to 33

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants
(Registration No. 110631W)

P.C. Surana
Partner
M.No. 17136

Place :- Mumbai
Date :- 28th April, 2014

For and on behalf of the Board

Anand Arya
Chairman & Wholetime Director

S. K. Tambawalla
Director



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY, VIZ. PREMIER EQUITY LIMITED

1. The Financial year of the subsidiary company ended on : 31st March, 2014
2. Date from which it became subsidiary : 20th June, 1996
3. a. No. of shares held by Premier Synthetics Limited (holding company) with its nominee in the subsidiary at the end of the financial year of the subsidiary. : 17,00,700 Equity Shares of Rs.10/- each fully paid up.
- b. Extent of interest of holding company at the end of the financial year of subsidiary : 100%
4. The net aggregate amount of the subsidiary's Profits so far as it concerns the members of the holding company :
 - a. Not dealt with the holding company's accounts :
 - i. For the financial years ended 31st March, 2014. : Rs.12,918/-
 - ii. For the previous financial years of the subsidiary since it became the holding company's subsidiary : (Rs. 55,29,184/-)
 - b. Dealt with the holding company's accounts :
 - i. For the current financial years ended 31st March, 2014. : Not Applicable.
 - ii. For the previous financial years of the subsidiary since it became the holding company's subsidiary : Not Applicable.
5. Changes in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year : Not Applicable
6. Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of :
 - a. Fixed Assets : Not Applicable
 - b. Investments : Not Applicable
 - c. Moneys lent by the subsidiary company : Not Applicable
 - d. Moneys borrowed by the subsidiary company for any purpose other than that of meeting current liabilities : Not Applicable

For and on behalf of the Board

ANAND ARYA
Chairman & Whole Time Director

Place : Mumbai.
Date :- 28th April, 2014

S. K. TAMBAWALLA
Director



Independent Auditors' Report

To the Members of

PREMIER SYNTHETICS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Financial Statements of **PREMIER SYNTHETICS LIMITED ("the Company")** and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("**the Act**"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated Financial Statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Financial Statements based on our Audit. We conducted our Audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risk of material misstatement of the consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the Accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated Financial Statements. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of Affairs of the Group as at March 31, 2014;
- (b) In the case of the consolidated Statement of Profit & Loss, of the profit of the Group for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

Other Matters

The Financial Statements of the only subsidiary company namely Premier Equity Limited have been audited by us.

For P.C. SURANA & CO.
Chartered Accountants
(Registration No. 110631W)

Place: Mumbai
Date: 28th April, 2014

(P C Surana)
Partner
Membership No. 17136



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rs.)

Particulars	Note No.		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
I EQUITY & LIABILITIES				
1 Shareholders' Funds				
a) Share Capital	2	131,432,000	131,432,000	
b) Reserves & Surplus	3	84,236,123	(92,152,237)	
c) Money received against share warrants		-	-	
			215,668,123	39,279,763
2 Share application money pending allotment			-	-
3 Non-current Liabilities				
a) Long-term borrowings	4	154,537,269	278,275,591	
b) Other long term liabilities	5	110,000,000	-	
c) Long-term provisions for employees benefits		5,277,480	4,787,670	
			269,814,749	283,063,261
4 Current Liabilities				
a) Short-term borrowings	6	30,223,200	94,819,062	
b) Trade payables		16,188,954	24,404,967	
c) Other current liabilities	7	1,102,773	33,765,531	
d) Short-term provisions		-	-	
			47,514,927	152,989,560
TOTAL			532,997,799	475,332,584
II ASSETS				
1 Non-current Assets				
a) Fixed Assets				
i) Tangible Assets	8	364,143,981	241,067,171	
ii) Intangible Assets		-	-	
iii) Capital Work-in-Progress		-	-	
iv) Intangible Assets under development		-	-	
b) Non-current Investments	9	25,000,000	25,000,000	
c) Deferred tax assets (net)	10	57,500,000	37,581,050	
d) Long-term loans and advances		-	-	
e) Other non-current assets		-	-	
			446,643,981	303,648,221
2 Current Assets				
(a) Current Investments	11	12,450,000	17,898,055	
(b) Inventories	12	19,937,452	5,235,870	
(c) Trade Receivables	13	42,952,573	121,624,952	
(d) Cash and Cash equivalents	14	425,258	806,334	
(e) Short-term loans and advances	15	2,272,213	17,295,485	
(f) Other current assets	16	8,316,322	8,823,667	
			86,353,818	171,684,363
TOTAL			532,997,799	475,332,584
Significant Accounting Policies	1			
Notes forming part of the Financial Statements	2-33			

As per our report of even date

For P.C. Surana & Co.

Chartered Accountants
(Registration No. 110631W)

P.C. Surana

Partner
M.No. 17136

Place :- Mumbai

Date :- 28th April, 2014

For and on behalf of the Board

Anand Arya

Chairman & Wholetime Director

S. K. Tambawalla

Director



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	(Amount in Rs.)	
		2013-14 Rs.	2012-13 Rs.
(I) Revenue from Operations	17	223,573,316	183,134,214
(II) Other Income	18	970,373	627,930
(III) Total Revenue (I) + (II)		224,543,689	183,762,144
(IV) EXPENSES			
Purchases in Stock in Trade		71,051,569	113,135
Changes in inventories of finished goods, work in progress and Stock-in-trade	19	(14,740,835)	(25,376)
Employee benefits expenses	20	25,794,354	24,448,147
Finance Costs	21	17,296,616	4,374,052
Depreciation and amortization expenses	22	25,533,424	26,428,417
Other expenses	23	93,135,878	128,334,754
Total Expenses		218,071,006	183,673,129
(V) Profit before Exceptional Items & Taxes		6,472,683	89,015
(VI) Exceptional Items - (Net)	24	-	114,923,676
(VII) Profit before tax (V+VI)		6,472,683	115,012,691
(VIII) Tax Expenses :			
(1) Current tax		3,273	4,389
(2) Deferred tax		(19,918,950)	(1,829,830)
		(19,915,677)	(1,825,441)
(IX) Net Profit After Tax		26,388,360	116,838,132
(X) Earning Per Equity Share	25		
Before Exceptional Itmes			
1. Basic		7.24	0.53
2. Diluted		7.24	0.53
After Exceptional Itmes			
1. Basic		7.24	32.07
2. Diluted		7.24	32.07
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2-33		

As per our report of even date

For P.C. Surana & Co.

Chartered Accountants
(Registration No. 110631W)

P.C. Surana

Partner
M.No. 17136

Place :- Mumbai

Date :- 28th April, 2014

For and on behalf of the Board

Anand Arya

Chairman & Wholetime Director

S. K. Tambawalla

Director



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

"1" SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. Principles of Consolidation

- a) The financial statements of the Company and its subsidiary company are combined on a line-by line basis by adding together the book value of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21-"Consolidated Financial Statements"
- b) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss account being the profit or loss on disposal of investment in subsidiary.
- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the share-holders of the Company.
- e) Minority Interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the consolidated balance sheet separate from liabilities and equity of the Company's shareholders.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. Investments other than in subsidiary company have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments" issued by the Institute of Chartered Accountants of India (ICAI) referred to in Section 211 (3C) of the Companies Act, 1956.

C. Other Significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

"2" Share Capital	As at 31.03.2014	(Amount in Rs.) As at 31.03.2013
	Rs.	Rs.
Authorised		
1,00,00,000 (Previous Year -1,00,00,000)		
Equity Shares of Rs.10 each	100,000,000	100,000,000
20,00,000 (Previous Year -20,00,000)		
Preference Shares of Rs.100 each	200,000,000	200,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
Issued,Subscribed & Fully paid up		
Cumulative Redeemable Preference Shares		
0% 9,50,000 (Previous Year -0% 9,50,000) Redeemable Cumulative	95,000,000	95,000,000
Non Convertible Preference Share of Rs.100 each		
Equity Shares		
36,43,200 (Previous Year 36,43,200) Equity Shares of Rs.10 each fully paid up of Rs.10 each	36,432,000	36,432,000
	<u>131,432,000</u>	<u>131,432,000</u>

- Note: (i) Reconciliation of number of above shares outstanding at the beginning and at the end of the year is not given as there is no change in number of shares and amount in above share capital from the previous year.
- (ii) Preference Shares are Redeemable on 30.09.2015 and carry no dividend right.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	As at 31.03.2014 Rs.	(Amount in Rs.) As at 31.03.2013 Rs.
“3” Reserves & Surplus		
Securities Premium Reserve		
Balance as per last Balance Sheet	32,210,000	32,210,000
Revaluation Reserve		
Reserve created during the year on revaluation of land	150,000,000	-
General Reserve		
Balance as per last Balance Sheet	-	35,751,220
Less: Transferred to Profit and Loss Account	-	<u>(35,751,220)</u>
	-	-
Capital Reserve		
Balance as per last Balance Sheet	242,657,550	242,657,550
Profit and Loss Account		
Balance as per last Balance Sheet	(367,019,787)	(519,609,079)
Add : Transferred from General Reserve	-	35,751,220
Add : Profit for the Current Year	26,388,360	116,838,072
Less : Transferred to Statutory Reserve	<u>6,171</u>	-
	(340,637,598)	(367,019,787)
Statutory Reserve		
Transfer from Profit & Loss a/c	6,171	-
	<u>84,236,123</u>	<u>(92,152,237)</u>
“4” Long term borrowings		
Secured		
Term Loans		
From Others - Edelweiss Asset Reconstruction Co. Ltd.	99,537,269	161,000,000
Unsecured		
- From Related Parties	55,000,000	77,275,591
- From others	-	40,000,000
	<u>55,000,000</u>	117,275,591
	<u>154,537,269</u>	<u>278,275,591</u>
“4.1”	The Secured Term Loans is secured by hypothecation of Stocks and Book Debts and first charge on the fixed assets of the Company and are personally guaranteed by Promoter Director of the Company Mr. Anand Arya .	
“4.2”	The entire secured term loan is repayable in financial year 2015-16.	
“4.3”	Premium payable on redemption/full & final repayment of Term loan will be accounted for in the year of its determination.	
“5” Other Long Term Liabilities		
From Related parties	70,000,000	-
From Others	40,000,000	-
	<u>110,000,000</u>	-



PREMIER SYNTHETICS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in Rs.)

As at 31.03.2014
Rs.

As at 31.03.2013
Rs.

"6" Short term borrowings

Unsecured, repayable on Demand

Loans and Advances Repayable on Demand

-	From Related Parties	20,823,200	21,319,062	
-	From others	9,400,000	73,500,000	
		30,223,200		94,819,062
		30,223,200		94,819,062

"7" Other Current Liabilities

-	Current maturities of long term debt		15,000,000	
-	Interest Accrued but not due on borrowing		304,730	
-	Advances from Customers		18,353,998	
	Other Payables *	1,102,773	106,803	
		1,102,773	33,765,531	

* Includes Statutory dues.

"8" Tangible Assets

(Amount In Rs.)

Description of Asset	Gross Block				Depreciation				Net Carrying Value	
	As at 01.04.2013 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2014 Rs.	Upto 31.03.2013 Rs.	For the Year Rs.	Adjustments Rs.	Upto 31.03.2014 Rs.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
FREEHOLD LAND	3,185,086	150,000,000	-	153,185,086	-	-	-	-	153,185,086	3,185,086
LEASEHOLD LAND	3,403,944	-	-	3,403,944	-	-	-	-	3,403,944	3,403,944
FACTORY BUILDING	77,362,368	1,208,281	-	78,570,649	36,623,255	2,560,634	-	39,183,889	39,386,760	40,739,110
PLANT & MACHINERY	545,583,232	851,013	56,622,301	489,811,944	357,504,682	21,898,054	53,105,944	326,296,792	163,515,152	188,078,549
ELECTRIC INSTALLATION	21,977,954	46,000	858,939	21,165,015	17,263,830	953,988	815,992	17,401,826	3,763,189	4,714,125
FURNITURE & FITTINGS	2,395,459	-	217,699	2,177,760	2,075,801	19,444	206,812	1,888,433	289,327	319,657
VEHICLES	1,001,184	-	172,789	828,395	818,303	60,557	164,150	714,710	113,685	182,883
OFFICE EQUIPMENTS	625,432	73,000	106,841	591,591	339,153	22,733	98,664	263,222	328,369	286,278
COMPUTER	581,340	22,400	69,100	534,640	483,312	13,658	65,645	431,325	103,315	98,028
AIR CONDITIONER	82,507	-	-	82,507	22,997	4,356	-	27,353	55,154	59,511
Total	656,198,506	152,200,694	58,047,669	750,351,531	415,131,333	25,533,424	54,457,207	386,207,550	364,143,981	241,067,171
Previous Year	674,770,032	14,874,310	33,445,825	656,198,517	401,791,649	26,428,417	13,088,720	415,131,346	241,067,171	

Note :

The Lease hold land at Panoli has been taken back by GIDC for non payment of its claim of dues. The Company has settled the dues and has paid them according to the Order of the Maharashtra Tribunal, Mumbai dated 04/05/2012 now the G.I.D.C. is in process of restoring back the possession of the said Land at Panoli. Therefore the dues so paid have been capitalised to the lease hold land.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	As at 31.03.2014 Rs.	(Amount in Rs.) As at 31.03.2013 Rs.
“9” Non-current Investments		
Trade Investments (At Cost)		
In Preference Shares of Associate Company-		
Quoted, fully paid up		
0.01% 2,50,000 (Previous Year - 15% 2,50,000) Redeemable Cumulative Non -Convertible Preference Share of Rs.100/- each in Blue Blends (India) Limited	<u>25,000,000</u>	<u>25,000,000</u>
Total Non-current Investment	<u>25,000,000</u>	<u>25,000,000</u>
Notes :		
Aggregate Amount of Quoted Investments	<u>25,000,000</u>	<u>25,000,000</u>
“10” Deferred Tax Assests (Net)		
Deferred Tax Assests		
On Unabsorbed Depreciation	<u>57,500,000</u>	<u>37,581,050</u>
	<u>57,500,000</u>	<u>37,581,050</u>
“11” Current Investments		
Other Investments (At Cost)		
In Equity Shares of Associate Companies		
Quoted, fully paid up		
Nil (Previous year -2,56,200) Blue Blends Finance Ltd. of Rs.10/- each	-	5,269,165
4,70,000 (Previous year- 4,70,000) Blue Blends(India) Limited of Rs.10/- each	<u>12,450,000</u>	<u>12,450,000</u>
Total Current Investment (A)	<u>12,450,000</u>	<u>17,719,165</u>
Unquoted, fully paid up		
Nil (Previous Year 4,000) Equity Shares of Rs. 10/- each in Bindal Synthetics Private Limited	-	108,540
Nil (Previous Year 2,000) Equity Shares of Rs. 10/- each in Blue Blends Leasing Private Limited	<u>-</u>	<u>70,350</u>
Total Unquoted Investment (B)	<u>-</u>	<u>178,890</u>
Total Non-current Investment (A+B)	<u>12,450,000</u>	<u>17,898,055</u>
Aggregate amount of Quoted investments	<u>12,450,000</u>	<u>17,719,165</u>
Market value of Quoted Investment	<u>4,220,600</u>	<u>13,847,844</u>
Aggregate Amount of Unquoted Investments	<u>-</u>	<u>178,890</u>

Out of above Investments, shares pledged against loans granted to other companies for which counter guarantees are available with the Company.

Name of Script	No. of shares	Pledged with
0.01% Redeemable Cumm. Non-conv. Pref. Shares in Blue Blends (I) Ltd.	1,20,000	M/s Edelweiss Asset Reconstruction Co. Ltd.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(Amount in Rs.)		
“12” Inventories		
(As taken, valued & certified by the Management.)		
Raw- Materials	-	-
Work - in -progress	-	-
Finished Goods (At lower of cost and net realisable value)	-	-
Stock in Trade	14,850,835	110,000
Stores & Spare parts	4,355,689	4,146,298
Packing Material	730,928	749,780
Dyes, Chemicals & Lubricants	-	229,792
	19,937,452	5,235,870
“13” Trade Receivables		
(Unsecured)		
Over Six months		
Considered Good	1,348,443	121,624,952
Considered Doubtful	-	-
	1,348,443	121,624,952
Others (Consider good)	41,604,130	-
	42,952,573	121,624,952
“14” Cash and Cash Equivalents		
Balances with Bank		
In Current Accounts	214,734	655,384
Cash on hand	210,524	150,950
	425,258	806,334
“15” Short-Term Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind for value to be received		
To related parties (due from Companies in which Director of the Company is also a Director)	-	11,050,000
Others	2,272,213	6,245,485
	2,272,213	17,295,485
“16” Other Current Assets		
Balances with Revenue Authorities	244,441	744,024
Deposits with Public bodies	8,071,881	8,079,643
	8,316,322	8,823,667
	73,903,818	153,786,308



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	2013-14 Rs.	2012-13 Rs.
(Amount in Rs.)		
“17” Revenue from Operations		
a) Sale of Products	61,407,343	124,889
b) Sale of Services	161,422,552	181,937,125
c) Other Operating Revenues	743,421	1,072,200
	<u>223,573,316</u>	<u>183,134,214</u>
Less : Excise Duties	-	-
	<u>223,573,316</u>	<u>183,134,214</u>
“18” Other Income		
a) Interest income	710,221	614,014
b) Other non-operating income	260,152	13,916
	<u>970,373</u>	<u>627,930</u>
“19” Changes in Inventories of Finished goods, Stock in progress and Stock-in-trade		
Opening Stock		
Finished Goods	110,000	84,624
Semi Finished Goods	-	-
	<u>110,000</u>	84,624
Closing Stock		
Finished Goods	14,850,835	110,000
Semi Finished Goods	-	-
	<u>14,850,835</u>	110,000
	<u>(14,740,835)</u>	<u>(25,376)</u>
“20” Employees Benefits Expenses		
(a) Salaries and Wages	21,718,871	20,313,287
(b) Contribution to Provident & Other Funds	2,193,764	2,865,419
(c) Employees Welfare & other Amenties	1,881,719	1,269,441
	<u>25,794,354</u>	<u>24,448,147</u>
“21” Finance Cost		
(a) Interest Expenses	17,296,616	4,374,052
(b) Other Borrowing Costs	-	-
	<u>17,296,616</u>	<u>4,374,052</u>
“22” Depreciation and Amortization Expenses		
Depreciation and amortization	25,533,424	26,428,417
	<u>25,533,424</u>	<u>26,428,417</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	2013-14 Rs.	2012-13 Rs.	(Amount in Rs.)
“23” Other Expenses			
Manufacturing Expenses			
Hank Yarn Obligation	2,101,321	2,944,616	
Stores & Spares Consumed	9,302,055	15,738,909	
Dyes ,Chemicals & Lubricants	271,712	65,663	
Testing Expenses	14,647	17,000	
Labour & Job Charges	5,190,112	9,352,799	
Other Factory Overheads	89,809	84,604	
Power and Fuel Charges	49,196,227	63,717,726	
Machinery Hire Charges	8,820,000	7,560,000	
Repairs to Buildings	421,874	226,531	
Repairs to Plant & Machinery	1,520,750	2,265,094	
	<u>76,928,507</u>	<u>101,972,942</u>	
Sales & Distribution Expenses			
Packing Materials	5,790,496	6,296,443	
Sales Promotion & Advertisement Expenses	61,227	37,269	
Brokerage,Commission & Discount	6,742	341,512	
Freight & Forwarding Charges	2,950,750	3,473,701	
	<u>8,809,215</u>	<u>10,148,925</u>	
Establishment Expenses			
Rent	292,426	443,975	
Rates & Taxes	329,264	299,711	
Other Repairs	75,821	98,771	
Postage & Telephone	121,625	161,017	
Printing & Stationery	245,709	329,761	
Travelling Expenses	22,180	90,640	
Conveyance Expenses	504,938	1,468,393	
Legal & Professional Charges	322,963	974,560	
Bank Charges	31,072	131,270	
Annual Listing Fees	29,495	51,250	
Director’s Sitting Fees	4,000	6,500	
Sundry Expenses	640,674	688,220	
Sundry Balances Wwritten Off	489,164	129,767	
Loss on Sale of Fixed Assets	764,415	9,958,491	
Loss on Sale of Investment	2,119,686	-	
Fixed Assets Discarded	76,045	192,354	
Insurance Premium	337,293	282,205	
Security Charges	888,577	803,193	
Auditors’ Remuneration	102,809	102,809	
	<u>7,398,156</u>	<u>16,212,887</u>	
	<u><u>93,135,878</u></u>	<u><u>128,334,754</u></u>	



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in Rs.)

	2013-14 Rs.	2012-13 Rs.
“24” Exceptional Items		
Exceptional Items includes:		
i) Rs. Nil (Previous year Rs.1697.83) of Capital Profit on sale of Company's land at Navi Mumbai		
ii) Rs. Nil (Previous year Rs. 548.59) of Bad and Doubtful Debts and Advances written off and		
“25” Earning Per Equity Share		
Before Exceptional Itmes		
1. Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	26,388,360	1,915,456
2. Weighted Average number of equity shares used as denominator for calculating EPS	3,643,200	3,643,200
3. Basic and Diluted Earning per Share	7.24	0.53
4. Face Value per equity share (in Rs)	10.00	10.00
After Exceptional Itmes		
1. Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	26,388,360	116,838,132
2. Weighted Average number of equity shares used as denominator for calculating EPS	3,643,200	3,643,200
3. Basic and Diluted Earning per Share	7.24	32.07
4. Face Value per equity share (in Rs)	10.00	10.00
“26” Earning in Foreign Exchange	Nil	Nil

“27” No Provision for taxaion has been made in view of the brought forwarded losses

“28” Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions during the year with the related parties are given below:

Related Parties/Nature of Relationship :

Key Managerial Persons

Mr. Anand Arya	Mr. Suresh John
Mr. S. K.Tambawalla	Mr. Janardan Joshi

Associates

Blue Blends (India) Ltd.
 Bindal Synthetics Pvt. Ltd
 Blue Blends Leasing Pvt. Ltd.
 Agrawal Synthetics.
 Silvassa Span Yarn Industries.
 Blue Blends Petrochemicals Ltd.
 Cressida Traders Pvt. Ltd.
 Murbad Syntex Pvt. Ltd.
 Darwin Platform Capital Ltd.
 Entwine Mobisoft Technologies Pvt. Ltd.
 Mr. Aman Arya
 Mrs. Indu Anand Arya



PREMIER SYNTHETICS LIMITED

Nature of Transaction	Key Managerial Persons	Associates	Total
Job Charges Paid	-	1.07	1.07
	-	<i>19.06</i>	<i>19.06</i>
Job Charges Received	-	1,614.23	<i>1,614.23</i>
	-	<i>1,819.37</i>	<i>1,819.37</i>
Sale of Finished Goods	-	240.42	240.42
	-	-	-
Rent Paid	-	0.72	<i>0.72</i>
	-	<i>1.57</i>	<i>1.57</i>
Interest Paid	78.00	94.96	172.96
	<i>34.57</i>	<i>5.77</i>	<i>40.34</i>
Remuneration	-	-	-
	<i>4.02</i>	-	<i>4.02</i>
Sitting Fees	0.04	-	0.04
	<i>0.07</i>	-	<i>0.07</i>
Sale of Machinery	-	5.00	<i>5.00</i>
	-	-	-
Loans and advances Repaid (Net)	124.94	359.59	484.53
	-	<i>652.05</i>	<i>652.05</i>
Loans and advances Receipts (Net)	-	256.82	256.82
	<i>279.19</i>	-	<i>279.19</i>
Balances as at 31st March ,2014			
Loans & Advances Receipts	299.69	458.54	758.23
	<i>424.63</i>	<i>561.31</i>	<i>985.94</i>
Loans & Advances Given	-	-	-
	-	<i>100.50</i>	<i>100.50</i>
Deposits with	-	700.00	700.00
	-	<i>10.00</i>	<i>10.00</i>

Note : *Figures in Italic represent Previous Year's amount*

Disclosure in Respect of Material Related Party Transaction during the year

1. Job Charges Paid includes -
 - Blue Blends (India) Ltd Rs 0.46 Lacs (2013 - Rs 4.78 Lacs)
 - Bindal Synthetics Pvt. Ltd. Rs 0.55 Lacs (2013 - Rs 7.34 Lacs)
 - Blue Blends Leasing Pvt.Ltd Rs 0.06 Lacs (2013 - Rs 6.94 Lacs)
2. Job Charges Received includes - Blue Blends (India) Ltd Rs 1614.23 Lacs (2013 - Rs 1819.37 Lacs)
3. Sale of Finished Goods - Blue Blends (India) Ltd Rs 240.42 Lacs (2013 - Nil)
3. Rent Paid includes -
 - Blue Blends (India) Ltd Rs 0.06 Lacs (2013 - Rs 0.71 Lacs)
 - Bindal Synthetics Pvt. Ltd.Ltd Rs 0.36 Lacs (2013 - Rs 0.36 Lacs)
 - Agarwal Synthetics Rs 0.30 Lacs (2013 - Rs 0.50 Lacs)
4. a) Interest paid to Key Managerial Person includes - Mr Anand Arya, Rs 78.00 Lacs (2013 - 34.57 Lacs)
- b) Interest paid to Associates includes - Mr. Aman Anand Arya Rs.5.62 Lacs(2013 - 5.77 Lacs)
- M/s Blue Blends (India) Ltd Rs 89.34 Lacs (2013 - Rs Nil)
5. Remuneration includes- Mr. Suresh John Rs.Nil (2013 - Rs. 4.02 Lacs)
6. Sale of Machinery includes -
 - Sale of Machinery to Blue Blends (India) Ltd for Rs.5.00 lacs (2013 -Nil)
7. a) Loans & Advances Receipts includes :
 - Aman Anand Arya Rs. 140.82 Lacs (2013 - Payment Rs.100.82 Lacs)
 - Blue Blends Petrochemicals Ltd. Rs. 116.00 Lacs (2013 - Payment Rs.11.18 Lacs)



b) Loans and advances Re- Paid (Net) includes :

Anand Arya Rs. 124.44 Lacs (2013 - Receipts Rs.276.94 Lacs)
Suresh John Rs. 0.50 Lacs (2013 - Receipts Rs. 2.25 Lacs)
Blue Blends (India) Ltd. Rs. 256.97 Lacs (2013 - Rs.535.53 Lacs)
Bindal Synthetics Pvt. Ltd. Rs. 102.62 Lacs(2013 - Rs.4.40 Lacs)

9. Loans and Advances Balances:

Rs. in Lacs

Received:	31.03.2014	31.03.2013
Anand Arya	297.94	422.38
Suresh John	1.75	2.25
Aman Arya	153.72	12.90
Blue Blends (India) Ltd. (Loan)	-	256.97
Bindal Synthetics Pvt. Ltd.	-	102.62
Blue Blends Petrochemicals Ltd.	304.82	188.82
Given :		
Cressida Traders Pvt. Ltd.	-	100.50
Deposits with - Blue Blends (I) Ltd.	700.00	10.00

“29” Segment Information

Textile business is the Company’s only business segment ,hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on “Segment Reporting” is not applicable .

“30” Contingent Liabilities and Commitments

- Claims by parties/customers not acknowledged as debts -Rs. 253.71 lakhs (Previous Year Rs.253.71 lakhs)
- Demand of Excise duty of Rs 14.40 lacs raised by theThe Commissioner of Central Excise, Ahmedabad for the years from 2001 to 2004 has been disputed and has not been provided in the books.The Company is in appeal against the same with the Central Excise and Service Tax Appellate Tribunal,Ahmedabad and has been legally advised that it will not have any liability .

However the company has deposited Rs. 3.60 lacs under protest with the respective Central Excise Authorities.

“31” Balances of Sundry Debtors, Creditors, Loans and Advances and transactions are subject to their confirmation .

“32” Except otherwise mentioned herein, in the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business and the provision of all known liabilities are adequate and not in excess of the amount reasonably necessary

“33” Previous Year figures have been regrouped and recasted wherever necessary.

“34” Premier Equity Limited, incorporated in India, the Company’s only subsidiary company in which it has 100% ownership, has been considered in the consolidated financial statements.

Signatures to Schedules 1 to 33

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants
(Registration No. 110631W)

P.C. Surana
Partner
M.No. 17136

Place :- Mumbai
Date :- 28th April, 2014

For and on behalf of the Board

Anand Arya
Chairman & Wholetime Director

S. K. Tambawalla
Director



PREMIER SYNTHETICS LIMITED

Registered Office : JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall.

Name of the Shareholder (in Block Letters) _____

L.Folio Number/DP ID/Client ID _____

Name of the Proxy (in Block Letters) to be filled if the Proxy attends instead of the Member _____

Number of Shares held _____

I hereby record my presence, at the Annual General Meeting held on Monday the 28th July, 2014 at 3.00 p.m at JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai- 400 002.

Member's / Proxy's Signature

1. To be signed at the time of handing over this slip.
2. Shareholders are requested to advise, indicating their folio number, the change of their address, if any, to the Company.



PREMIER SYNTHETICS LIMITED

Registered Office: JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002

PROXY

L.Folio Number/DP ID/Client ID	
No. of Shares	

I/We _____

of _____

being a member/members of the above named Company, hereby appoint _____

of _____

or failing him _____

as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday the 28th July, 2014 at 3.00 p.m. at JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai- 400 002.

Signed at _____ this _____ day of _____ 2014.

Revenue
Stamp
One Rupee

Notes :

1. This instrument of Proxy should be deposited at the Secretarial Department of the Company, not less than 48 hours before the holding of the meeting.
2. The form should be signed across the stamp as per the specimen signature registered with the company.
3. A Proxy need not be a member.

BOOK - POST

TO

If undelivered, Please return to :

PREMIER SYNTHETICS LIMITED

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai – 400002

Email : premiersynthetics@gmail.com

Website : www.premiersyntheticsltd.com