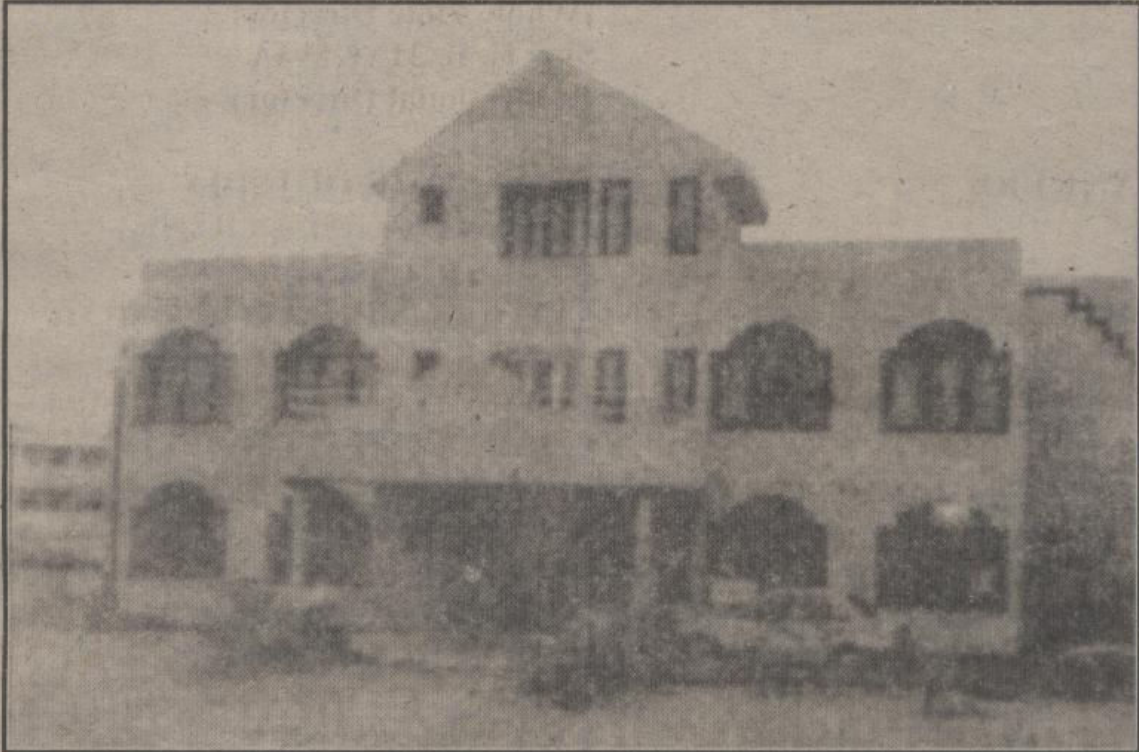


# Annual Report

## 2012-2013



**PRASHANT  
INDIA LTD.**



# PRASHANT INDIA LTD.

## BOARD OF DIRECTORS

Shri P. M. GONDALIA  
(Chairman & Managing Director)  
Shri H. M. GONDALIA  
(Whole Time Director)  
Shri H. B. MALAVIA  
(Professional Director)

## BANKERS

STATE BANK OF INDIA  
INDIAN OVERSEAS BANK  
BANK OF BARODA  
STATE BANK OF HYDERABAD

## AUDITORS

DEVENDRA GHEEWALA & CO.  
CHARTERED ACCOUNTANTS  
SURAT

## REGISTERED OFFICE

BLOCK No. 456, PALASANA CHAR RAS  
N.H. NO. 8, PALASANA, 394 315  
DIST. SURAT. GUJARAT

## WIND POWER DIVISION

VILLAGE DHANK  
DIST RAJKOT  
GUJARAT

## AGRO DIVISION

RUVAPARI ROAD,  
BHAYNAGAR-346 001  
GUJARAT



NOTICE OF ANNUAL GENERAL MEETING

THIRTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF PRASHANT INDIA LIMITED WILL BE HELD ON MONDAY, 30<sup>TH</sup> SEPTEMBER 2013 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT BLOCK NO.456, NATIONAL HIGHWAY NO.8, PALSANA CHAR RASTA, TALUKA PALSANA, DISTRICT SURAT 394315 TO TRANSACT THE FOLLOWING BUSINESS:-

## ORDINARY BUSINESS:-

1. To consider and adopt the Balance Sheet as at 31.03.2013 and the Profit and Loss Account for the year ended as on date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. H.B.Malavia who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

Place : Palsana

By Order of the Board of Directors

Date :-20<sup>TH</sup> June 2013.

Sd/-  
Prabhudas M.Gondalia  
Managing Director

NOTES:-

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- (2) The Register of members and Share Transfer books will remain closed from 16.09.2013 to 30.09.2013 (both days inclusive)
- (3) Members desiring any information as regards accounts are requested to write to the Company at least 10 days before the meeting to enable the management to keep the information ready.
- (4) Members/Proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting place.

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING  
(In pursuance of Clause 49 of the Listing Agreement)

1) Name of Directors	H B Malavia
2) Age	76 years
3) Qualification	B.E.
4) Date of Appointment	10.10.2001
5) Experience	Thirty Five Years
6) Other Directorship as on 31.3.2013	Nil
7)Chairman/member of the Committee as on 31.03.2013	Chairman Audit Committee



## DIRECTORS' REPORT

To,  
The Members

Your directors have pleasure in presenting their Thirtieth Annual report and the audited statement of accounts for the year ended on 31<sup>st</sup> March, 2013 together with the auditors report thereon.

## FINANCIAL RESULTS

The summarized financial results for year end 31<sup>st</sup> March 2013 are as under

Particulars	Rupees in lacs	
	2012-2013	
Sales and other income	199.57	
Total expenditure	264.82	
Profit (+)/loss (-) after interest but before depreciation & taxation	(65.25)	
Exceptional item	0.00	
Taxation	0.00	
Net profit (+)/loss (-)	(65.25)	

## DIVIDEND

In view of losses the directors do not recommend any dividend for the year ended 31st March 2013..

## COMPANY PERFORMANCE

The company continues to operate in Textiles and Wind farm business. The Revenue from textile job work has decreased from Rs.24.803 Lacs in year ended 31.03.2012 to Rs.13.248 Lacs on account of competition and paucity of working capital. The revenue from power generation has however increased from Rs.48.740 Lacs in year 31.03.2012 to Rs.63.432 Lacs in current year. The loss however has decreased from Rs.83.181 Lacs to Rs.65.248 Lacs in current financial year.

The company had been held sick industrial company within the meaning of the provisions of sec.3(1)(0) of the Sick Industrial Companies ( Special Provisions ) Act, 1985 by the BIFR on dt.20-09-2005 and has been held to be wound up u/s 20(1) of the said Act by the BIFR on dt.14-09-2006 on the ground that it is just, equitable and in public interest the company should be wound up. The said order has been upheld by AAIFR. The secured debts of company except for State Bank of India has been assigned to M/s Shantilon Private Limited and Ficon Shriram Capital Markets Limited. The details are given in balancesheet.

## MANAGEMENT DISCUSSION AND ANALYSIS.

- (a) Industry Structure and Developments:- Company is a Textile Company
- (b) Opportunities and Threats :- The textile industry provides ample opportunities in domestic and as well as export market However the uncertainty of raw material prices and government policies are detrimental to growth and profitability .
- (c) Segmentwise or productwise Proformance :- Company operates in two segments (1) Textile and (Wind Farm) This is mentioned as an annexure to the Balance Sheet.
- (d) Outlook :- The Company plans to rehabilitate the company accordingly Application is filed with Hon'ble High Court of Gujarat..
- (e) Risks & Concerns :- Company do not foresee any such risk in near future, which will hamper the activities.
- (f) Internal control systems and their adequacy :- Company is in the process of implementing various software for better control.



- (g) Discussion on financial performance with respect to operational performance :- Company is a sick company and all efforts are being made to make settlements with secured creditors .
- (h) Human Resources Management Initiatives:-The management is keenly interested this field. All the efforts are made to rationalize its manpower and make effective use of the same.

#### BOARD OF DIRECTORS:

There was no change in constitution of Board of Directors. Shri H. B. Malavia retire by rotation at ensuing Annual General Meeting and he is eligible for reappointment.

#### AUDITORS :

M/s. Devendra Gheewala & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible offer themselves for reappointment. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board of directors recommend their reappointment.

#### FIXED DEPOSITS :

Your Company has not accepted any deposits from public.

#### STATUTORY INFORMATION :

- (i) Information 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:-

##### A. CONSERVATION OF ENERGY

- Energy conservation measures taken: None at present
- Additional investment and proposals, if any, being implemented for reduction of consumption of energy: There are no proposals.
- Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Does not arise.
- Total energy consumption and energy consumption per unit of production as per Form "A" to annexure in respect of industries specified in the schedule thereto: Not Applicable.

##### B. TECHNOLOGY ABSORPTION

###### Form B

###### Research & Development (R & D)

- Specific area in which R & D carried by the company: None at Present
- Benefits derived as a result of the above R & D: Does not arise.
- Future plan of action: At present it is not under consideration
- Expenditure on R & D: Nil

###### Technology absorption, adaptation and innovation:

- Efforts being made towards technology absorption, adaptation and innovation: None
- Benefits derived as a result of the above efforts e.g. Product improvement cost, reduction, product development, import substitution etc. : None
- Imported technology : Not applicable as technology has not been imported.

##### C. FOREIGN EXCHANGE EARNING AND OUTGO:

Earning: Rs.Nil      Outgo : Rs. 134158/-



INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AS AMENDED UP TO DATE :

The company do not have any employee drawing salary in excess of limits prescribed under section 217 (2a) of the companies act, 1956 read with the companies (particulars of employees) rules 1975 the particulars should be treated as nil

DIRECTORS' RESPONSIBILITY STATEMENT.

Your Directors confirm that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the loss of the company for the year.
- (iii) the Directors has 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 had prepared the accounts on going concern basis.

INDUSTRIAL RELATIONS:

The industrial relations continued to be cordial during the year under review.

ACKNOWLEDGMENT:

The Directors express their sincere thanks to the employees, customers, suppliers, company's bankers and members of the company for their continued support.

For & On Behalf of the Board of Directors

Place : Palsana  
Date : 20-06-2013

Sd/-  
Chairman



FORM A ( See rule 2)  
Form for disclosure of particulars with respect to conservation of energy -

A.		Power and fuel consumption	
1	Electricity	Current year	Previous year
	(a) Purchased		
	Unit	382369	1103819
	Total amount	2552307	6575522
	Rate / unit	6.67	5.96
	(b) Own generation		
	(i) Through diesel generator		
	Units		54835
	Units per lt. of diesel oil	110760	668988
	Cost/unit		12.20
	(ii) Through steam turbine/generator		
	Units	Nil	Nil
	Units per lt. of fuel oi/gas	Nil	Nil
	Cost/unit	Nil	Nil
2	Coal (specify quality and where used )		
	Quantity (Tonnes)	1296.580	1430.670
	Total cost	3614494	3512305
	Average rate	2787.71	2455.00
3	Furnace oil		
	Quantity (K.ltrs.)	Nil	Nil
	Total cost	Nil	Nil
	Average rate	Nil	Nil
4	Others/Internal generation (please give details)		
	Quantity	1073971	914296
	Total cost	6345194	4873994
	Rate / unit	5.91	5.33
B	Consumption per unit of production		
	Products (with details) unit – Company	1110271	2365654
	Products (with details) unit –Others	312707	472889
	Electricity	Not quantifiable Separately	Not quantifiable separately
	Furnace oil		
	Coal (specify quality)		
	Others (specify)		



## REPORT ON CORPORATE GOVERNANCE

The Company's policies and practices continued to aim at efficient conduct of business and in effective meeting its obligations to the shareholders as the company believe in good corporate governance.

### BOARD OF DIRECTORS:

The present strength of Board of Directors of your Company is Three. Two directors are executive directors and one is independent director. None of the directors are members in more than ten committees and they do not act as chairman of more than five committees

Independent Director" who apart from receiving director's remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, which in judgment of the Board may affect independence of judgment of director.

Brief resume of the directors who retire by rotation and seek reappointment is given in the notes to the notice, the members are requested to refer the same.

Attendance of Directors at the meeting of Board of Directors held during the financial year 2012-2013 and the last Annual General Meeting held on 29.09.2012 are as follows:

Details of Meetings of Board of Directors held during the year 2012-2013:

Sr.No.	Date	No. of Directors present
1	30.04.2012	3
2	20.07.2012	3
3	29.09.2012	3
4	31.10.2012	3
5	31.01.2013	3
6	31.03.2013	3

Name of Director	No. of Board Meeting Attended	Attendance in A.G.M.
Mr.P.M.Gondalia	6	Present
Mr.H.M.Gondalia	6	Present
Mr.H.B.Malavia	6	Present

### AUDIT COMMITTEE:

Terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges that interalia, include overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal audit function, discussions with auditor about the scope of audit including the observation of the auditors and discussion with internal auditors on any significant findings.

Mr.Malavia Independent Director is the chairman of Audit Committee and Mr. H.M.Gondalia is the member. Four meetings of audit committee were held on 30.04.2012, 20.07.2012, 31.10.2012 and 31.01.2013.



**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

The Shareholder / investors grievance committee has been constituted under chairmanship Mr.P.M.Gondalia. Shri H.B. Malavia is the member of the committee. The committee oversees the redressed of complaints of the shareholders and investors in relation to transfer of shares, non-receipt of annual reported.

**REMUNERATION COMMITTEE:**

During the year there was no necessarily of reviewing remuneration payable to directors. Company do not paid any commission or sitting fees to directors. The Remuneration paid to directors during the year is as under.

Details of Remuneration paid to the Executive Directors for the F.Y. 2012-13

Name of Director	Designation	Salary (Rs.)	Perks (Rs.)	Commission (Rs.)	Total (Rs.)
Mr.Prabhudas M. Gondalia	Chairman & M.D.	208512/-	Nil	--	208512/-
Mr.Harsukhbhai M. Gondalia	Whole Time Director	127728/-	Nil	--	127728/-
Mr. Haribhai B. Malavia	Director.	Nil	-	--	Nil

No. sitting fee was paid to any Director. No commission was paid to any Director.

**ANNUAL GENERAL MEETING :****Details of last three Annual General Meetings held:**

Particulars	2009-2010	2010-2011	2011-2012
Day	Thursday	Friday	Saturday
Date	30.09.2010	30.09.2011	29.09.2012
Time	11.00A.M.	11.00A.M.	11.00A.M.
Venue	456,N.H.8,Palsana Char Rasta ,Palsana, Surat-394315	456,N.H.8,Palsana Char Rasta ,Palsana, Surat-394315	456,N.H.8,Palsana Char Rasta ,Palsana, Surat-394315

**DISCLOSURES:**

There were no instances of non-compliance on any other matter related to the capital market, during the last three years.

**MEANS OF COMMUNICATION:**

Quarterly results are submitted to stock exchanges. The annual report along with account is sent to stock exchanges and shareholder. Company has not given any press release during the year.

**COMPLIANCE CERTIFICATE**

The certificate regarding compliance of conditions of clause 49 of the Listing Agreement from the Company Secretary of the company is annexed hereto.



## GENERAL SHAREHOLDER INFORMATION:

- 1) Annual General Meeting : 30th Annual General Meeting  
Day, Date, Time & Venue : Monday 30th<sup>th</sup> September, 2013 at 11 a.m.,  
Block No.456, N.H.8, Palsana Char Rasta, Palsana Surat-394315
- 2) Financial Year/Calender :  
 Results for first Quarter ending 30.06.2013 : On or before 31.07.2013  
 Results for second Quarter ending 30.09.2013: On or before 31.10.2013  
 Results for third Quarter ending 31.12.2013 : On or before 31.01.2014  
 Results for third Quarter ending 30.03.2014 : On or before 30.04.2014  
 Results for year ending 31.03.2014 : On of before 30.09.2014
- 3) Date of Book Closures : 16.09.2013 to 30.09.2013 (both days inclusive)
- 4) Dividend Payment Date : No dividend declared
- 5) Regd. Office : Block No.456, N.H.8, Palsana Char Rasta, Palsana Surat-394315.
- 6) Address of Investors Correspondence : Block No.456, N.H.8, Palsana Char Rasta, Palsana Surat-394315
- 7) Regd. Office Ph. Nos. : (02622) 325227
- 8) Plant Location : Block No.456, N.H.8, Palsana Char Rasta, Palsana Surat-394315
- 9) Listing on Stock Ex. : Listing Fee for Mumbai Stock Exchange for F.Y.2012-13 paid to Bombay Stock Exchange
- 10) Distribution of Shareholding as on 31.03.2013

8610 shareholders hold 4235443 equity shares of nominal value of Rs.10/- each.

Distribution of Shares (Slab wise)	No. of Share Holders	% to total no. of Shareholders	No. of Share Held	Percentage total Share Capital
1 to 100	3197	37.15	289382	6.83
101 to 200	2235	25.97	412085	9.73
201 to 500	2333	27.11	782662	18.48
501 to 1000	544	6.32	401181	9.47
1001 to 5000	235	2.73	475674	11.23
5001 and above	62	0.72	1874459	44.26
Total	8610	100.00	4235443	100.00

Category	No. of Shares Held	% of Shareholding
Promoters	1396268	32.97%
Persons acting in concert	0	0
Mutual Funds & UTI	0	0
Banks, Financial Institutions	8800	0.21%
Private Corporate Bodies	472799	11.16%
Indian Public	2357576	55.66%
Grand Total	4235443	100%



**Management Responsibility Statement**

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end. The Management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. In view of huge losses and recessionary trend, appointment of internal auditor has not been made.

By Order of the Board of Directors  
For Prashant India Limited

Place : Palsana,

Date :-20<sup>th</sup> June.2013

Sd/-

Prabhudas M.Gondalia  
Managing Director

**CODE OF CONDUCT DECLARATION**

As provided under clause 49 of listing agreement with stock exchange, The members of Board of Directors and senior management personal have confirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March 2013.

Place : Palsana,

Date :-20<sup>th</sup> June.2013

Sd/-

Prabhudas M.Gondalia  
Managing Director



## CEO/CFO CERTIFICATION

The Board of Directors,  
Prashant India Limited

I certify that :

1. I have reviewed the financial statement, read with cash flow statement of Prashant India Limited (the company) for the year ended on 31<sup>st</sup> march 2013 and to the best of my knowledge and belief :
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - ii. These statements and other financial information included in this report present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct;
3. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control system of the company pertaining to the financial reporting;
4. I have disclosed to the Company's auditors and the Audit committee of the Board of directors all significant deficiencies in the design or operation of internal control, if any of which I am aware and the steps taken or proposed to be taken to rectify the deficiencies;
5. I have indicated to the auditors and audit committee :
  - a) Significant changes in the company's internal control over financial reporting during the year.
  - b) Significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - c) Instances of significant fraud which we have become aware and the involvement therein if any of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place : Palsana,

Date :-20<sup>th</sup> June.2013

Sd/-  
Prabhudas M.Gondalia  
Managing Director





**DEVENDRA GHEEWALA & CO.**  
**CHARTERED ACCOUNTANTS**

**CA. Devendra M.Gheewala,**

F.C.A., DISA (ICA)

407, Union Trade Center, B/s. Apple Hospital, Udhna Darwaja, Surat - 395002

**Independent Auditor's Report**

To

The Members of **PRASHANT INDIA LTD.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. Prashant India Limited ('the Company') which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then 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 Standards referred to in sub-section (3C) of section 211 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 are free from material misstatement, whether due to fraud or error.

**Auditor's 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 misstatement.

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 risks 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, subject to the matters emphasized here in below, the 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit / loss for the year ended on that date; AND
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

*Note no.2(a) : Regarding non accounting for gratuity, leave encashment & bonus liability contrary to sec.209 of the Companies Act, 1956 and AS-15 issued by the ICAI.*

*Note no.2(b) : Regarding accounts of the company having been prepared on 'Going Concern Basis', despite*

- *operations of Agro Division of the Company having stood suspended, since 1998,*
- *net losses / cash losses incurred by the Company for last several years including the current financial year ,*
- *net worth of the Company having been totally eroded and substantial losses having been carried forward as at 31<sup>st</sup> March, 2013,*
- *BIFR having held the Company as sick under the provisions of sec.3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and ordered for winding up of the Company, which is upheld by the AAIFR in the absence of adequate data and information for its compilation on an alternative basis and consequently no adjustments having been made in the accounts relating to the recoverability of recorded asset amounts and in respect of recorded liabilities and contingent liabilities that might devolve on the company.*

*Note no.24(b) : Regarding non provision of liabilities of Rs.6494.70 lacs*

*Note no.24(k) : Regarding certain balances being subject to confirmation the effect of which could not be quantified,*



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 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 and Loss and Cash Flow 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 and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.(3)

For **DEVENDRA GHEEWALA & CO.**  
**CHARTERED ACCOUNTANTS**

Place : Surat.  
Date : 20-06-2013

Sd/-  
**D.M.GHEEWALA**  
**PROPRIETOR**  
M.No. : 049857  
FRN. : 115563W



**ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH '2' OF OUR AUDIT REPORT OF EVEN DATE ON ACCOUNTS OF PRASHANT INDIA LTD. FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2013.**

In terms of the information and explanations given to us and the books and records examined by us in the normal course of our audit and to the best of our knowledge and belief, we state that in our opinion:

1

- (a) The company has been maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed by the management on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year, which has affected the going concern assumption (Also refer Note 1(b) of our Audit Report).

2.

- (a) Physical verification of inventory (except stocks lying with third parties, confirmation for which has been obtained and in stocks in transit) has been conducted at reasonable intervals during the year by the management.
- (b) The procedures of physical verification of inventory 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 been maintaining proper records of inventory and discrepancies noticed on physical verification as compared to book records were not material and have been properly dealt with in the books of accounts.

3.

- (a) The Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties listed in the register maintained u/s. 301 of the Companies Act, 1956 (1 of 1956). The Company has taken secured loans from Companies, Firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 (1 of 1956) and number of such party is two wherein the balance repayable as at the end of the year is Rs.11,32,86,903/- plus interest payable on account of loan/debt assignments. ( Maximum balance during the year Rs.11,32,86,903/- plus interest payable )
- (b) Since there are no transactions of loans given by the company, clauses (b) to (d) of paragraph 3 of the order are not applicable.
- (c) In our opinion, the rate of interest and other terms and conditions of secured loans taken by the company are prima facie not prejudicial to the company.
- (d) *In respect of loans taken by the company, payment of principal amount and interest is not regular, as stipulated.*

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.



5. Based on Audit procedures applied by us and according to the information and explanations given to us, we report that
- (a) the particulars of contracts or arrangements referred to u/s 301 of the Companies Act, 1956 (1 of 1956) have been recorded in the register maintained for the purpose.
- (b) these transactions prima facie appear to have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. During the year, the company has not accepted deposits from the public.
7. *Due to meager turnover and huge losses, the company does not afford to have an internal audit system.*
8. As informed to us, maintenance of cost records in accordance with the provisions sec. 209(1)(d) of the Companies Act, 1956 is not applicable for job work activity and power generation activity undertaken by the Company.

- 9.
- (a) The provisions of the Provident Fund Act, Investor Education & Protection Fund and Employees' State Insurance Act as applicable are duly complied with. There were no undisputed amount payable in respect of Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty, Cess or any other statutory due which were outstanding as at **31-03-2013** for a period of more than six months from the date they became payable except as mentioned below:

Nature of statute-Authority	Nature of dues	Amount Rs. lacs	Remarks
Customs Act, 1962 & Central Excise Act, 1944	Custom duty	77.03	Nil
Land Revenue Act	Land rev.	20.74	Nil

- (b) The disputed dues of Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty or Cess as on 31/03/2013 are as follows :

Nature of statute-Authority	Nature of dues	Amount Rs. lacs	Forum where dispute is pending
G.S.T. Act, 1969	Sales tax	544.68	AC, Bhavnagar

10. The Company has accumulated losses of Rs.4385.04 lacs as at the end of the financial year, which is in excess of 50% of its net worth. The company has not incurred cash losses in the current financial year and also in the immediately preceding financial year.
11. According to the information and explanations given to us and based on our audit checks, we report that the company in the current financial year has not made repayment to any banks or financial institutions. The company has defaulted in repayment of dues to various banks and financial institutions. The company had been declared sick u/s 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985 by the BIFR vide order dt.20-09-2005 and has been held to be wound up u/s 20(1) of the said Act by the BIFR vide order dt.14-09-2006. The entire outstanding of all financial institutions/banks is overdue since long. Please refer to Audit note no.5 & 7 also.



12. Since the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
13. Since the company is not a chit fund or a nidhi/mutual benefit fund/society, paragraph 4(xiii) of the Order is not applicable.
14. Since the company is not dealing in or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
16. On the overall examination of the Balance Sheet of the Company, we report that term loans have been applied for the purpose for which they were obtained.
17. On an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. Since the company has not made any preferential allotments of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956, paragraph 4(xviii) of the Order is not applicable.
19. Since the company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
20. Since the company has not raised money by way of public issue during the year, paragraph 4(xx) of the Order is not applicable.
21. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **DEVENDRA GHEEWALA & CO.**  
**CHARTERED ACCOUNTANTS**

Place : Surat.  
Date : 20-06-2013

Sd/-  
**D.M.GHEEWALA**  
**PROPRIETOR**  
M.No. : 049857  
FRN. : 115563W



## BALANCE SHEET AS AT 31ST MARCH, 2013.

Sr. No.	Particulars	Note No.	31-03-2013		31-03-2012	
			Rs.	Rs.	Rs.	Rs.
I. EQUITIES AND LIABILITIES -						
1. Shareholders' Funds :						
	a. Share capital	'3'	42,354,430		42,354,430	
	b. Reserves & surplus	'4'	(363,787,185)	(321,432,755)	(357,262,347)	(314,907,917)
2. Non Current Liabilities :						
	a. Long term borrowings	'5'	290,063,254		290,063,254	
	b. Deferred tax liabilities		0		0	
	c. Other long term liabilities	'6'	2,456,537	292,519,791	2,059,116	292,122,370
3. Current Liabilities :						
	a. Short term borrowings	'7'	61,245,591		61,245,591	
	b. Trade payables	'8'	1,143,502		1,186,909	
	c. Other current liabilities	'9'	2,113,536		4,441,800	
	d. Short term provisions	'10'	8,345,474	72,848,103	8,345,474	75,219,774
T O T A L.... (I)				<u>43,935,139</u>	<u>52,434,226</u>	
II. ASSETS -						
1. Non current assets						
	a. Fixed assets	'11'	29,532,231		37,653,602	
	b. Non current investments		0		0	
	c. Deferred tax assets(net)		0		0	
	d. Long term loan & advance	'12'	5,739,799		4,827,389	
	e. Other non current assets	'13'	2,852,648	38,124,678	2,852,648	45,333,639
2. Current assets,						
	a. Current investments		0		0	
	b. Inventories	'14'	209,363		452,323	
	c. Trade receivables	'15'	5,356,345		6,444,429	
	d. Cash & bank balance	'16'	244,752		203,835	
	e. Short term loans & advances		0		0	
	f. Other current assets		0	5,810,461	0	7,100,587
T O T A L.... (II)				<u>43,935,139</u>	<u>52,434,226</u>	
Significant account policies		'2'				

For PRASHANT INDIA LTD.

As per our audit report of even date  
For DEVENDRA GHEEWALA & CO.  
CHARTERED ACCOUNTANTSSd/-  
(P.M.GONDALIA)  
CHAIRMAN & M.D.Sd/-  
(H.M.GONDALIA)  
WHOLE TIME DIRECTORSd/-  
(D. M. GHEEWALA)  
PROPRIETOR  
M.No. : 049857  
FRN. : 115563WPlace : Surat.  
Date : 20-06-2013



## PROFIT &amp; LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Sr. No.	Particulars	Note No.	31-03-2013		31-03-2012	
			Rs.	Rs.	Rs.	Rs.
I.	Revenue from operations	'17'		19,593,247		29,677,328
II.	Other income	'18'		364,247		383,286
III.	Total Revenue			<u>19,957,495</u>		<u>30,060,614</u>
IV.	Expenses -					
	1. Cost of materials consumed	'19'		818,454		1,760,364
	2. Purchase of stock in trade			0		0
	3. Changes in inventory of finished goods	'20'		-		212,223
	4. Employee benefits expenses	'22'		6,079,497		8,994,352
	5. Finance costs	'22'		10,329		10,916
	6. Depreciation and amortization	'11'		10,254,767		10,167,578
	7. Other expenses	'23'		9,319,285		17,233,233
	Total expenses			<u>26,482,332</u>		<u>38,378,666</u>
V.	Profit before exceptional and extraordinary items and tax			(6,524,838)		(8,318,052)
VI.	Exceptional items			0		(17,575,804)
VII.	Profit before extraordinary items and tax ( V - VI)			(6,524,838)		(25,893,856)
VIII.	Extraordinary items			0		0
IX.	Profit before tax ( VII-VIII)			(6,524,838)		(25,893,856)
X.	Tax expense			0		0
	1. Current tax			0		0
	2. Deferred tax			0		0
XI.	Profit/(Loss) for the period from continuing operations ( IX-XI)			(6,524,838)		(25,893,856)
XII.	Profit/(Loss) from discontinuing operations			0		0
XIII.	Tax expenses of discontinuing operations			0		0
XIV.	Profit/(Loss) from Discontinuing operations (after tax (XII-XIII)			0		0
XV.	Profit/(Loss) for the period			(6,524,838)		(25,893,856)
XVI.	Earnings per equity share					(1.96)
	1. Basic			(1.54)		(1.96)
	2. Diluted			(1.54)		(1.96)

Significant account policies '2'

For PRASHANT INDIA LTD.

As per our audit report of even date  
For DEVENDRA GHEEWALA & CO.  
CHARTERED ACCOUNTANTSSd/-  
(P.M.GONDALIA)  
CHAIRMAN & M.D.Sd/-  
(H.M.GONDALIA)  
WHOLE TIME DIRECTORSd/-  
( D. M. GHEEWALA )  
PROPRIETOR  
M.No. : 049857  
FRN. : 115563WPlace : Surat.  
Date : 20-06-2013



**NOTE - 1****Corporate Information –**

Date of incorporation	23 <sup>rd</sup> November, 1983
Registered office address	Block No.456, Palsana Char Rasta, N.H.No.8, Palsana - 394315, Dist. Surat, Gujarat
Factory address	a) Block No.456, Palsana Char Rasta, N.H.No.8, Palsana - 394315, Dist. Surat, Gujarat a) At Vill. Dhank, Dist. Rajkot b) Ruvapari Road, Bhavnagar
Nature of business activity/operation	ξ Manufacturing job work of sized beams & texturising of yarn ξ Wind energy power generation

**NOTE - 2****Significant accounting policies –****a. Basis of preparation of financial statements-**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ( Indian GAAP) to comply with the Accounting Standards notified under the Companies ( Accounting Standards ) Rules, 2006 ( as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for gratuity, leave encashment and bonus, which are charged to profit & loss account on cash basis and that is contrary to the specific provisions of the Companies Act, 1956 and also contrary to the Accounting Standard 15 issued by the Institute of Chartered Accountants of India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**b. Going concern –**

Despite the facts as mentioned herein below, accounts are continued to be prepared on 'Going Concern Basis', in the absence of adequate essential data and information for compilation on an alternative basis.

- ξ The operations of Agro Division of the Company have been suspended since 1998.
- ξ The Company having incurred net losses during the current year and continuously incurring net losses/ cash losses for last several years
- ξ The Net Worth of the Company has been eroded completely based on the Audited Annual Financial Statements of the Company, since the year ended on 31<sup>st</sup> March, 1998.
- ξ The Accumulated Losses of the Company as at the end of the financial year, are far exceeding the entire Net Worth of the Company
- ξ The BIFR and the Appellate Authority AAIFR have held that the Company should be wound up u/s 20(1) of SICA, 1985 vide order dt.14-09-2006 and dt.06-12-2010 respectively.

Consequently, no adjustments are made in the accounts for compilation of Accounts on an alternative basis relating to the recoverability of recorded asset amounts and in respect of likely devolvement of recorded liabilities and contingent liabilities



- b. Use of estimates –  
The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of financial statements and the reported amounts of income and expenses for the financial period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and the estimates are recognized in the periods in which the results are known /materialize.
- c. Fixed assets -  
Fixed assets are valued at cost of acquisition or construction. They are stated on historical cost basis less accumulated depreciation.
- d. Depreciation –  
Depreciation on fixed assets is provided on pro rata basis on straight line method at the rates prescribed under the Companies Act, 1956.
- e. Inventories -  
Inventories are valued at cost or market value, whichever is less.
- f. Revenue recognition –  
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude VAT.

The purchases and sales are shown after making adjustments for claims, rebates, rate difference, discounts, etc. received/paid as per the practice prevailing in the trade. Necessary adjustments for the same are done either by passing journal entry or rectifying the original invoice of purchase/sales and accounting the same in subsidiary books etc. with amount NET RECEIVED or NET PAID for the particular invoice.

- g. Foreign Currency Transactions –  
Foreign currency transactions entered into by the Company are accounted at the exchange rate prevailing on the date of the transaction or at rate that closely approximate the rate at the date of the transaction. Foreign currency monetary items outstanding at the Balance Sheet date are restated at the year-end rate.
- h. Earnings per share ( EPS) –  
Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period
- i. Contingent liabilities –  
A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.



PRASHANT INDIA LTD.

31st March, 2013

Note No.	31-03-2013	31-03-2012
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3 SHARE CAPITAL

Particulars	Number of shares	Rs.	Number of shares	Rs.
<u>Authorised -</u>				
Redeemable Cumulative				
Pref. shares of Rs.100 each	100,000	10,000,000	100,000	10,000,000
Equity shares of Rs.10 each	9,000,000	90,000,000	9,000,000	90,000,000
		<u>100,000,000</u>		<u>100,000,000</u>
<u>Issued -</u>				
Equity shares of Rs.10 each	5,014,887	50,148,870	5,014,887	50,148,870
		<u>50,148,870</u>		<u>50,148,870</u>
<u>Subscribed and fully paid up -</u>				
Equity shares of Rs10 each	4,235,443	42,354,430	4,235,443	42,354,430
		<u>42,354,430</u>		<u>42,354,430</u>

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

Particulars	Number of shares	Rs.	Number of shares	Rs.
Equity shares with voting rights				
Opening balance	4,235,443	42,354,430	4,235,443	42,354,430
Changes, if any	0	0	0	0
Closing balance	4,235,443	42,354,430	4,235,443	42,354,430

Details of shares held by each shareholder holding more than 5% shares

Particulars	Number of shares	% holding in that class	Number of shares	% holding in that class
Equity share with voting rights				
Mayur P.Gondalia	277,445	6.55	277,445	6.55
Bridge International Pvt. Ltd.	226,586	5.35	226,586	5.35

Details of forfeited shares

Particulars	Number of shares	Amount originally paid up Rs.	Number of shares	Amount originally paid up Rs.
Equity shares with voting rights	779,444	2,088,544	779,444	2,088,544



Note No.	31-03-2013	31-03-2012
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4 RESERVES & SURPLUS :
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a.	Capital Reserve			
	Opening balance	20,018,632	2,088,544	
	Add : Addition during the year	0	17,930,088	
	Sub total	20,018,632	20,018,632	
	Less : Utilised/ Trfd. during the year	0	0	
	Closing balance	20,018,632		20,018,632
b.	Securities premium reserve			
	Opening balance	54,698,368	54,698,368	
	Add : Premium on shares issued during the year	0	0	
	Sub total	54,698,368	54,698,368	
	Less : Utilised during the year	0	0	
	Closing balance	54,698,368		54,698,368
c.	Profit & Loss A/c Balance			
	Opening balance	(431,979,347)	(406,085,491)	
	Add : Profit / (Loss) for the year	(6,524,838)	(25,893,856)	
	Sub total	(438,504,185)	(431,979,347)	
	Less : Appropriations	0	0	
	Closing balance	(438,504,185)		(431,979,347)
		<u>(363,787,185)</u>		<u>(357,262,347)</u>



Note No.	31-03-2013	31-03-2012
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5	LONG TERM BORROWINGS :
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Secured -

Term loans from other parties -

a Ficon S'ram Cap. Mkt. Ltd. ( Debt assignment of IOB)	74,987,760	74,987,760
Ficon S'ram Cap. Mkt. Ltd. ( Debt assignment of BOB)	37,299,143	37,299,143
Shantilon Pvt. Ltd. ( Debt assignment of SBH)	31,819,098	31,819,098
Interest unpaid	5,443,806	5,443,806
b Shantilon Pvt. Ltd. ( Debt assignment of IFCI)	122,457,542	122,457,542
c Shantilon Pvt. Ltd. ( OTS with IREDA )	16,055,905	16,055,905
Shantilon Pvt. LTd. ( OTS with IDBI )	2,000,000	2,000,000
Total	<u>290,063,254</u>	<u>290,063,254</u>

Details of terms of repayment and security provided for secured borrowings -

Security -

- \* Consortium loans in (a) above are secured by hypothecation of all movable current assets and further secured by first charge on land-building, plant-machinery, etc. of Agro division at Bhavnagar
- \* Loan in (b) above is secured by first charge on all the immovable properties and also by whole of movable plant-machineries, spares, tools, accessories, both present and future, of Textile division at Palsana
- \* Loans in (b) and (c) above are secured by first charge on all the immovable properties and also by whole of movable plant-machineries, spares, tools and accessories, both present and future, of wind farm unit
- \* Loans above are further secured by personal guarantee of the directors.

Repayment terms -

All loans have become overdue for repayment since long.

Default in repayment -

There has been a continuous default in repayment of above loans and interest since Dec., 1998.

\* Also refer Note No.- 7 for other details

6	OTHER LONG TERM LIABILITIES -
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Sundry creditors for capex	676,365	278,944
G.S.T. & C.S.T. deferment	1,780,172	1,780,172
	<u>2,456,537</u>	<u>2,059,116</u>



Note No.	31-03-2013	31-03-2012
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**7 SHORT TERM BORROWINGS :**

## Secured -

## Loans repayable on demand from banks -

SBI-WCDL	101,899,939	102,899,939
Less : Recoveries - Deposit in No Lien A/c with SBI	(41,654,348)	(41,654,348)

## Unsecured -

## Loans and advances from related parties -

Bridge international Pvt. Ltd.	1,000,000	0
	<u>61,245,591</u>	<u>61,245,591</u>

## Details of terms of repayment and security provided for secured borrowings -

## Security -

\* SBI-WCDL is secured by hypothecation of entire current assets including stocks & book debts and further secured by second charge on all the immovable properties of Textile division at Palsana

\* SBI-WCDL is further secured by personal guarantee of the directors

## Repayment terms -

SBI-WCDL repayable on demand has become overdue for repayment since long.

## Default in repayment -

There has been a continuous default in repayment of SBI- WCDL and interest since Dec., 1998.

## Other details -

\* The Company had been held sick industrial company under the purview of the provisions of section 3(1)(o) of the SICA ( Special Provisions), 1985 by the BIFR on dt.20-09-2005 and has been held to be wound up u/s 20(1) of the said Act on dt.14-09-2006 and upheld by the AAIFR on dt.06-12-2010. These winding up orders are challenged by the Company, by way of civil application before the hon'ble Gujarat High Court.

\* The Company has been continuously persuading secured lenders for the one time settlement of their dues. In this process, it has successfully settled the dues of some of the secured and unsecured lenders by augmenting resources from M/s. Shantilon Pvt. Ltd. (SPL), M/s. Ficon Shreeram Capital Market Services Ltd. (Ficon) and M/s. Bridge International Pvt. Ltd. ( Bridge). The current status of secured lenders stands as mentioned below -

Lender	Remark	Present status
Wind farm division		
IREDA	Dues settled	SPL holds first exclusive charge over the assets of wind farm division vide Deed of Mortgage executed on dt.26-03-2007 with IREDA
Agro division -		
BOB & IOB	Dues assigned	Ficon holds pari passu charge with SPL over the assets of Agro division vide Deed of Assignment executed on dt.19-05-2011 with IARC (A/c. BOB) and Deed of Assignment executed on dt.15-02-2012 with IOB
SBH	Dues assigned	SPL holds pari passu charge with Ficon over the assets of Agro division vide Assignment Agreement executed on dt.26-11-2010 with Arcil ( A/c. SBH)
Textile division -		
IFCI	Dues assigned	* SPL had been assigned part debt of IFCI vide Deed of Assignment executed on dt.08-07-2009
		* SPL has been assigned balanced debt of IFCI along with its share in cut back amount of Rs.415.21 lacs with interest lying in SBI-No Lien A/c and to receive 6.50 lacs equity shares of the Company @ Rs.10 per share vide Deed of Assignment executed on dt.31-05-2013
		* SPL holds first exclusive charge over fixed assets and second charge over current assets of Textile division
SBI	Negotiations are in progress	No change
IDBI	Dues settled	SPL's existing charge on assets of the Company has been extended vide supplementary Deed of Mortgage executed on dt.12-10-2011



## PRASHANT INDIA LTD.

31st March, 2013

Note No.	31-03-2013	31-03-2012
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## 8 TRADE PAYABLES :

Sundry creditors	1,089,723	1,082,915
Brokerage payable	0	0
Professional fees payable - Net	53,779	103,994
	<u>1,143,502</u>	<u>1,186,909</u>

## 9 OTHER CURRENT LIABILITIES :

Statutory remittances -		
T.D.S. payable	6,722	32,298
Local authorities dues	2,074,158	2,001,352
PF-ESI payable	18,196	6,414
Professional tax payable	3,430	5,590
GEB	0	259,476
GETC	0	403,439
Advance received for job work	0	1,020,920
Wages & salary payable	11,030	712,310
	<u>2,113,536</u>	<u>4,441,800</u>

## 10 SHORT TERM PROVISIONS :

Provision - others -		
Provision for other contingencies -		
Civil supply case-Bhavnagar	300,000	300,000
EPCG penalty case	7,702,696	7,702,696
Income tax-A.Y.1995-96	342,778	342,778
	<u>8,345,474</u>	<u>8,345,474</u>



NOTE NO. 11  
FIXED ASSETS AND DEPRECIATION :

Sr.	Description of assets	Rate of Depre. %	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As on 01-04-2012		As on 31-03-2013		As on 01-04-2012		As on 31-03-2013		As on 31-03-2013	As on 31-03-2012
			Addition	Deduction	Addition	Deduction	Addition	Deduction	Addition	Deduction		
1	Land - Freehold		4838520	0	4838520	0	4838520	0	0	4838520	4838520	
2	Factory Building	3.34	27189412	2327778	29517190	14652545	947817	15600362	13916828	12536867		
3	Plant & machineries	5.28	168932884	0	168932884	153729989	8919657	162649646	6283238	15202895		
4	Electrifications	4.75	7254062	85463	7339525	2756544	347638	3104182	4235343	4497518		
5	Computer system	16.21	916025	0	916025	898714	4519	903233	12792	17311		
6	Printer	16.21	67750	0	67750	67750	0	67750	0	0		
7	Furniture & fixtures	6.33	986990	22800	1009790	986990	962	987952	21838	0		
8	Office equip	6.33	430181	0	430181	278301	27230	305531	124650	151880		
9	Epabx system	6.33	24800	0	24800	10859	1570	12429	12371	13941		
10	Wireless antenna	6.33	0	72355	72355	0	3094	3094	69261	0		
11	Vehicles-Scooters etc.	9.50	774797	0	774797	755127	2280	757407	17390	19670		
12	Capital WIP	0.00	375000	1175913	0	0	0	0	0	375000		
	TOTAL		211790421	3684309	213923817	174136819	10254767	184391586	29532231	37653602		
	Previous year ->		211400921	2417177	211790421	163969241	10167578	174136819	37653602	47431680		



PRASHANT INDIA LTD.

31st March, 2013

Note No.	31-03-2013	31-03-2012
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12 LONG TERM LOANS & ADVANCES :

Unsecured		
Advance for goods - capex		
Considered good	462,156	462,156
Doubtful	1,030,291	1,030,291
Security deposits -		
Considered good	1,282,160	1,282,160
Loans & advances to employees	0	0
Prepaid expenses		
Considered good	61,818	54,716
Balances with Govt. Authorities		
Considered good		
Income Tax refundable	1,278,814	1,264,666
GEB	1,607,445	619,198
GMDC	17,115	114,201
	<u>5,739,799</u>	<u>4,827,389</u>

13 OTHER NON CURRENT ASSETS :

Unsecured		
Other advances & tax deposits -		
Doubtful	436,648	436,648
Insurance claim receivable	2,416,000	2,416,000
	<u>2,852,648</u>	<u>2,852,648</u>

14 INVENTORIES :

(As taken, valued and certified by the management )

Raw materials	4,200	4,200
Finished Goods	70,742	70,742
Consumable stores, spares, packing materials, etc.	45,000	18,500
Coal, fuel, diesel	89,421	358,881
	<u>209,363</u>	<u>452,323</u>

15 TRADE RECEIVABLES :

Unsecured		
Outstanding for a period exceeding 6 months		
Considered good	1,511,825	1,516,825
Considered doubtful	3,965,514	3,965,514
Less : Provision for doubtful debt	<u>3,965,514</u>	<u>3,965,514</u>
	0	0
others -		
Considered good	3,844,520	4,927,604
	<u>5,356,345</u>	<u>6,444,429</u>



## PRASHANT INDIA LTD.

31st March, 2013

Note No.	31-03-2013	31-03-2012
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## 16 CASH &amp; BANK BALANCE :

Cash on hand ( As certified by the Directors )	349,137	156,427
Bank balances - In current accounts	(104,384)	47,408
	<u>244,752</u>	<u>203,835</u>

## 17 REVENUE FROM OPERATIONS :

Sale of products - Sales :	0.00	0
Sale of services - Jobwork charges for yarn sizing	13,248,053	24,803,334
Other operating revenues - Power generation	6,345,194	4,873,994
	<u>19,593,247</u>	<u>29,677,328</u>

## 18 OTHER INCOME :

Interest income	109,930	92,530
Rebate; Discounts, Claims, Incidental charges	74,317	110,756
Utilities usage charges	180,000	180,000
	<u>364,247</u>	<u>383,286</u>

## 19 COST OF MATERIALS CONSUMED :

Opening stock	4,200		16,797	
Add : Purchases	<u>0</u>		<u>0</u>	
	4,200		16,797	
Less : Closing stock	<u>4,200</u>	0	<u>4,200</u>	12,597
Consumption of stores, spares, etc.				
Opening stock	18,500		210,250	
Add : Purchases	<u>844,954</u>		<u>1,556,017</u>	
	863,454		1,766,267	
Less : Closing stock	<u>45,000</u>	818,454	<u>18,500</u>	1,747,767
	<u>818,454</u>		<u>1,760,364</u>	

## 20 CHANGE IN FINISHED GOODS STOCK :

Opening stock	70,742	282,965
Less : Closing stock	<u>70,742</u>	<u>70,742</u>
	<u>0</u>	<u>212,223</u>



## PRASHANT INDIA LTD.

31st March, 2013

Note No.	31-03-2013	31-03-2012
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## 21 EMPLOYEE BENEFITS EXPENSE :

Salary & wages to workers	4,218,476	7,417,467
Salary and emoluments to staff	1,524,781	1,240,645
Directors' Remuneration	336,240	336,240
	<u>6,079,497</u>	<u>8,994,352</u>

## 22 FINANCIAL CHARGES :

Bank commission & charges	6,039	10,794
Interest expenses -		
Interest expenses	0	0
Interest on TDS/ Sales tax/ I.T., etc.	<u>4,290</u>	<u>122</u>
	<u>10,329</u>	<u>10,916</u>

## 23 OTHER EXPENSES :

Factory expenses	31,326	66,000
Power & fuel expenses	6,288,991	10,775,339
Repairs & maintenance -	1,279,666	2,536,861
Sundry wages and carting exps.	48,140	195,851
Auditor's remuneration	30,000	30,000
Computer exps.	4,280	11,535
Insurance exps.	84,624	115,979
Legal & professional fees	210,113	2,007,148
Listing fees	17,304	66,580
Office expenses	19,144	55,906
Postage expenses	38,462	45,794
Profession tax	2,400	2,400
Rent, rates & taxes	133,766	133,766
Security exps.	90,000	90,500
Staff welfare exps.	161,451	290,908
Stationery and printing	55,566	73,116
Telephone & telex exps.	28,991	48,721
Travelling, conveyance & vehicle exps.	461,314	414,829
Sales tax expenses	333,748	272,000
	<u>9,319,285</u>	<u>17,233,233</u>



## 24 Additional information to the financial statements

## a Contingent liabilities and commitments (to the extent not provided for)

Particulars	31-03-2013 Rs.	31-03-2012 Rs.
Claims against the company not acknowledged as debt	7.16	7.16
Guarantees -	0.00	0.00
Other money for which the company is contingently liable	770.76	781.00
Details given below		

Name of statute/ Authority Nature of dues	Forum, where dispute is pending	Management's comments	31-03-2013 Rs.	31-03-2012 Rs.
Gujarat Sales Tax Act, 1969 Demand on regular assessment F.Y.1986-87 to 89-90 F.Y.1993-94 to 98-99	Cases remanded by ST Tribunal-I back to A.C., Sales Tax Bhavnagar	Demand is based on false presumptions and hence, no liability is envisaged	544.68	544.68
F.Y.2002-03	GVAT, Tribunal	Settled in settlement scheme of 2012	0.00	10.24
Guarantee commission payable to directors and others for their guarantees to Banks & FIs F.Y.1999-00 to 2012-13	N.A.	Nil	109.61	109.61
Civil Suit Non payment for materials supplied and other charges up to dt.30-11-01 as per contract by BHEL 1995	Fast Track Court, Ranipat O.S.No.25 of 2006	Supply of machines by BHEL has not been as per contractual terms	116.47	116.47
Others		Nil	7.16	7.16

## b The company has not made provision for following items -

Nature of liability	Amount Rs.	Management's perception
Interest to Assignee of loan of IOB, BOB and SBH - simple interest @ 13% p.a. since 1998	2,721.81	Dues of IOB, IARC (A/c BOB), Arcil (A/c SBH), IFCI and IDBI has been either settled or assigned through infusion of funds by strategic investors. The strategic investors can waive the interest, if revival proposal of the company is accepted.
Interest to Assignee of loan of IFCI - simple interest @ 13%	2,228.73	
Interest to Shantilon Pvt. Ltd.- simple interest @ 12% p.a.	137.27	
Interest to SBI	1,392.48	The Company is financially unable to pay interest
Other advances	14.42	Nil
Total	6,494.70	

The Company has not made provisions for the above items, which in the opinion of the Auditors, need provision. Had the provision been made in the books of accounts, the accumulated losses of the Company would have increased by Rs.6494.70 lacs



31st March, 2013

c Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The company has no information regarding which of its suppliers is a small scale industrial undertaking. Hence, the particulars of amounts payable to such undertakings, if any, have not been given as required under Schedule VI to the Companies Act, 1956

The company is not in a position to identify the amounts payable to small scale and ancillary undertakings under the provision of the "Interest on the delayed payment to small scale and ancillary undertaking Act, 1993" and accordingly it is not possible to quantify the extent of overdue interest payable under the said Act

d Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties is NIL

Particulars	31-03-2013 Rs.	31-03-2012 Rs.
e Value of imports calculated on CIF basis -	Nil	Nil
f Expenditure in foreign currency - Foreign travelling by directors	134158	52,929 Euro 796.60
g Details of consumption of imported and indigenous items		
Imported -	0	0
Indigenous -		
Raw materials	0	0
Components	0	0
Spare parts	818,454	1,747,767
h Earnings in foreign currency -	Nil	Nil
i Long term loans & advances, other non current assets, Trade receivables and other current assets include amounts due from -		
Directors	Nil	Nil
Other officers of the company	Nil	Nil
Firms in which any director is a partner	Nil	Nil
Pvt. company in which director is a director or member	Nil	Nil
j Details of auditor's remuneration		
As auditors	15,000	15,000
As advisors in following matters		
Taxation matters	0	0
Company law matters	5,000	5,000
Other matters	7,000	7,000
As tax auditors	3,000	3,000
Total	<u>30,000</u>	<u>30,000</u>

k Balances of trade receivables, trade payables, loans and advances are subject to confirmation and have been taken as appearing in the books of accounts of the Company.

The Company has provided depreciation of Rs.16.26 lacs on assets of agro division as the depletion of assets has continued even though the division was closed during the whole year. Plant & machineries have been considered to be continuous process plant and depreciation has been charged accordingly.



## 25 Disclosures under Accounting Standards -

## a Details of government grants - AS - 12

Particulars	31-03-2013	31-03-2012
	Rs.	Rs.

Government grants received by the Company during the year towards

Subsidies (recognised under _____)	0	0
Duty drawback (recognised under Other operating revenue)	0	0
Other incentives (recognised under _____) ( specify nature	0	0

## b Related Party Transactions - AS - 18

Details of related parties

Description of relationship	Name of related parties
Associates	Nil
Key Management personnel ( KMP )	Prabhudas M.Gondalia Harsukhbhai M.Gondalia
Relatives of KMP	Nil
Company in which KMP / Relatives of KMP can exercise significant influence	Ficon Shreeram Capital Mkt. Ltd. Bridge International Pvt. Ltd.

Details of related party transactions

Nature of transaction	Name of related party	31-03-2013	31-03-2012
		Rs.	Rs.
Job work income	Shantilon Poly Pvt. Ltd.	13,248,053	24,803,334
Power exps. reimbursement	Shantilon Poly Pvt. Ltd.	3,536,738	
Lease rental	Milan Textiles	180,000	180,000
Directors' remuneration	Prabhudas M.Gondalia	208,512	208,512
	Harsukhbhai M.Gondalia	127,728	127,728
Loans & advances	Bridge International P.Ltd.	1,000,000	0
Funds infused for debt assign	Ficon Shreeram Capital Market Ltd.	112,286,903	112,286,903
Balances outstanding at the end of the year			
Trade receivables	Shantilon Poly Pvt. Ltd.	3,844,520	4,927,604
Loans & advances	Bridge International Pvt. Ltd.	1,000,000	0
Debt assignment	Ficon Shreeram Capital Mkt. Sev.Ltd.	112,286,903	112,286,903



## c Earning per share AS - 20

Nature of transaction	31-03-2013 Rs.	31-03-2012 Rs.
Net profit / (loss) for the year from continuing operations	(6,524,838)	(8,318,052)
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	0	(17,575,804)
Net profit / (loss) for the year	(6,524,838)	(25,893,856)
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year attributable to the equity shareholders	(6,524,838)	(25,893,856)
Weighted average number of equity shares	4,235,443	4,235,443
Par value per share	10	10
Earnings per share - Basic	(1.54)	(6.11)
Earnings per share excluding extraordinary items - Basic	(1.54)	(1.96)

## d Deferred tax asset / ( liability ) AS - 22

Since the company has been continuously incurring net losses / cash losses and still there is no certainty about the future income, deferred tax asset has not been accounted as a prudent accounting practice

## e Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As on 01-04-2012	Addition	Utilisation	Bal. as on 31-03-13
Provision for other contingencies				
Civil supply case-Bhavnagar	300,000	0	0	300,000
EPCG penalty case	7,702,696	0	0	7,702,696
Income tax-A.Y.1995-96	342,778	0	0	342,778
<b>Total</b>	<b>8,345,474</b>	<b>0</b>	<b>0</b>	<b>8,345,474</b>

Of the above, the following amounts are expected to be incurred within a year:

Nature of transaction	31-03-2013 Rs.	31-03-2012 Rs.
Provision for other contingencies	0	0



f Segment reporting

AS -17

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Textiles and Windfarm. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Surat and Rajkot.

Particulars	Business Segments		Total
	Textile	Wind Farm	
Revenue	13,248,053	6,345,194	19,593,247
Inter segment	0	0	0
Sub total	13,248,053	6,345,194	19,593,247
Expenditure	17,818,776	3,883,312	21,702,088
Segment result	(4,570,723)	2,461,882	(2,108,840)
Unallocable expenses (net)			4,780,244
Operating income			(6,889,085)
Other income (net)			364,247
Profit before taxes			(6,524,838)
Tax expense			0
Net profit for the year			(6,524,838)

Particulars	Business Segments		Total
	Textile	Wind Farm	
Segment assets	20,639,434	7,539,468	28,178,902
Unallocable assets			1,697,189
Total assets			29,876,091
Segment liabilities	191,146,939	16,055,905	207,202,844
Unallocable liabilities			144,106,000
Total liabilities			351,308,844

Other information

Capital expenditure (allocable)	0
Capital expenditure (unallocable)	0
Depreciation and amortisation (allocable)	8,628,563
Depreciation and amortisation (unallocable)	1,626,204
Other significant non-cash expenses (allocable) (give details)	0
Other significant non-cash expenses (unallocable)	0

For PRASHANT INDIA LTD.

For DEVENDRA GHEEWALA & CO.  
CHARTERED ACCOUNTANTSSd/-  
(P.M.GONDALIA)  
CHAIRMAN & M.D.Sd/-  
(H.M.GONDALIA)  
WHOLE TIME DIRECTORSd/-  
( D. M. GHEEWALA )  
PROPRIETOR  
M.No. : 049857  
FRN. : 115563WPlace : Surat.  
Date : 20-06-2013



PRASHANT INDIA LTD.

31st March, 2013

CASH FLOW STATEMENT

	Rs. In '000	
	31-03-2013	31-03-2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES -</b>		
Net profit before tax and extraordinary items	(6,525)	(8,318)
Adjustment for-		
Taxation	0	0
Depreciation	10,255	10,168
Provision for doubtful debts	-	-
Profit / loss on sale of fixed assets & investments	-	-
Prior period items	-	354
Interest shown separately	10	11
Operating profit before working capital change	3,740	2,215
Adjustment for -		
Trade & other receivable	1,088	134
Inventories	243	443
Trade payable	(2,372)	2,385
Other current assets, loans & advance	(912)	26,138
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,787</b>	<b>31,314</b>
Interest paid	(10)	(11)
Tax refunds	-	(11)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>1,777</b>	<b>31,303</b>
Less : Extraordinary items	-	-
<b>Net cash flow from operating activities</b>	<b>1,777</b>	<b>31,303</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES -</b>		
Purchase of fixed assets	2,133	390
Adjustment / Sale of fixed assets / investments	-	-
<b>Net cash used in investment activities</b>	<b>2,133</b>	<b>390</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowing	-	-
Repayment of Finance / Lease liabilities	(397)	30,944
<b>Net cash outflow from financing activities</b>	<b>(397)</b>	<b>30,944</b>
Net change in cash & cash equivalents	41	(30)
CASH AND CASH EQUIVALENTS - Op. Bal.	204	234
CASH AND CASH EQUIVALENTS - Cl. Bal.	245	204

We have verified the above Cash Flow Statement of Prashant India Ltd. derived from the Audited Annual Financial Statement for the year ended on 31st March, 2011 and 31st March, 2010 and have found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement.

For PRASHANT INDIA LTD.

For DEVENDRA GHEEWALA & CO.  
CHARTERED ACCOUNTANTS

Sd/  
(P.M.GONDALIA)  
CHAIRMAN & M.D.

Sd/  
(H.M.GONDALIA)  
WHOLE TIME DIRECTOR

Sd/  
(D. M. GHEEWALA)  
PROPRIETOR  
M.No. : 049857  
FRN. : 115563W

Place : Surat.  
Date : 20-06-2013



## JOINING GREEN INITIATIVE- ELECTRONIC MODE OF SERVICE OF DOCUMENT

In response to Circular of Ministry of Corporate Affairs for services of notice of documents etc through electronic mode your company has initiated efforts to support the initiative taken by department.

We seek your support in the matter and request you to furnish the details of your email address to the company for service of documents by email. The details as given below may be furnished form your email id to the company at its email [info@prashantindia.info](mailto:info@prashantindia.info) or to be sent at the registered office of company in physical form.

The company shall furnish notices etc on your email id . However you shall still be entitled to physical copy on request. The details shall also be posted on website of company for benefit of stake holder.

### THE DETAILS TO BE FURNISHED

1	Folio No.	
2	Name of First Holder	
3	Name(S) of Joint Holders (if any)	
4	Email address (to be Registered)	
5	Telephone Number. and Mobile Number	



# PRASHANT INDIA LTD.

Registered Office : Block No. 456, Palsana Char Rasta, N.H. 8,  
Palsana-394 315 (SURAT)

## ENTRANCE PASS

To be Presented at entrance, Annual General Meeting to be held on Monday, 30th September 2013 at 11.00 a.m. I Certify that I am a Registered Shareholder of the Company and hold \_\_\_\_\_ Shares, vide Folio No. \_\_\_\_\_ (Please indicate whether Member/Proxy.)

### Member's/Proxy Signature

- Note :
1. Share holder / Proxy holder wishing to attend the meeting must bring the admission slip to the meeting and hand over at the entrance duly signed.
  2. A Share holder / Proxy holder desiring to attend the meeting should bring this copy of Annual Report for reference at the meeting.

Note : The form duly completed should be deposited at the Registered Office of the Company at PALSANA not later than 48 hours before the time of the meeting.

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Registered Office : Block No. 456, Palsana Char Rasta, N.H. 8,  
Palsana-394 315 (SURAT)

## PROXY FORM

Ledger Folio No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member (s)

of the above named Company, hereby appoint

Proxy to vote for me / use on my / our behalf at the Twenty Seven Annual General Meeting of the Company to be held on Monday, the 30th Spet. 2013 and at any adjournment there of.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature of Witness \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_



Note : The form duly completed should be deposited at the Registered Office of the Company at PALSANA not later then 48 hours before the time of the meeting.



**BOOK-POST**

**To,**

**If Undelivered Please return to :**

**PRASHANT INDIA LTD.**

**Registered Office : Block No. 456, Palsana Char Rasta, N. H. 8,  
Palsana - 394 315. Dist. Surat (Gujarat)**