



PRAKASH WOOLLEN AND  
SYNTHETIC MILLS LIMITED

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# ANNUAL REPORT

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2020-2021

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# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,  
NH-24, Village Amhera, Distt. J.P Nagar-244102  
Tel: 0591-2223008/18 Fax:0591-2223009  
website : www.prakashwoollen.com ; Email : info@prakashwoollen.com  
CIN: L17291UP1979PLC004804

## NOTICE OF ANNUAL GENERAL MEETING

Dear Member(s),

**NOTICE** is hereby given that the 42<sup>nd</sup> Annual General Meeting of the Members of **Prakash Woollen & Synthetic Mills Limited** will be held on Saturday, the 18<sup>th</sup> day of September, 2021 at 11:45 A.M. at the Registered Office of the Company at 18<sup>th</sup> Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102, to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Vijay Kumar Gupta (DIN: 00335325), who retires by rotation and being eligible offers himself for re-appointment.
3. **Re-Appointment of Auditors and fixation of remuneration**

To consider and, if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, as amended from time to time and as recommended by audit committee, M/s. A. Anand & Co., Chartered Accountants (Firm Registration No. **005147C**), be and are hereby re-appointed as Auditors of the Company, for the 2<sup>nd</sup> term of three years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2024, at such remuneration as may be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESSES:

4. **Appointment of Mrs. Rajni Gupta (DIN: 09160441) as a Director of the Company.**

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT**, Mrs. Rajni Gupta (09160441), be and hereby appointed as a Director of Company liable to retire by rotation.”

By Order of the Board of Directors  
For Prakash Woollen & Synthetic Mills Limited  
Sd/-  
(Daya Kishan Gupta)  
Managing Director  
DIN : 00337569

13<sup>th</sup> August, 2021  
Registered Office:  
18<sup>th</sup> Km. Stone, Delhi Moradabad Road  
NH-24, Village Amhera, Distt. J.P Nagar,  
Uttar Pradesh-244102  
CIN: L17291UP1979PLC004804  
E-mail: info@prakashwoollen.com

### NOTES:

#### 1. PROXY/AUTHORIZED REPRESENTATIVE

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- a) The instrument appointing proxy (Proxy Form), in order to be effective must be deposited at the registered office of the Company, not less than 48 (Forty-Eight) hours before the commencement of the AGM. Proxy Form is enclosed with this Notice.

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Members are requested to note that a person can act as proxy on behalf of the Members not exceeding 50 (fifty) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights, however, a member, holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company during the period beginning 24 (Twenty-Four) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, provided that not less than 3 (three) days of notice in writing is to be given to the Company.

- b) Members / proxies / authorized representatives are requested to bring duly filled admission / attendance slips sent herewith along with this notice of the AGM at the Meeting.
- c) Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.
- d) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

### 2. CUT OFF DATE :

- a) The e-voting period begins on 15<sup>th</sup> September, 2021 (10:00 Hours (IST)) and ends on 17<sup>th</sup> September, 2021 (17:00 Hours (IST)). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of dated 11<sup>th</sup> September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) This Notice is being sent to all the Members whose names appear as on 20<sup>th</sup> August, 2021 in the Register of Members or in the Register of beneficial owners as received from M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent ("RTA") of the Company.

### 3. COMMUNICATION TO MEMBERS :

- a) The Notice of the AGM along with the Attendance Slip and Proxy Form, and a copy of Annual Report are being sent by electronic mode to all Members whose email addresses are registered with the Company / Depository Participant(s) and also to the auditors and Directors of the Company. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
- b) Full version of the Annual report and notice of AGM will also be available on the website of the Company at [www.prakashwoollen.com](http://www.prakashwoollen.com) under the Investor Relations section and at the website of CDSL at <https://www.evotingindia.com>. Hard copies of the full annual reports will be sent to those shareholders who will request the same to the company's email id : [compliance@prakashwoollen.com](mailto:compliance@prakashwoollen.com)
- c) All the documents referred to in the accompanying notice, explanatory statement and Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested are open for inspection at the registered office of the Company on all working days except Saturdays and Sundays, between 11.00 AM to 1.00 PM up to the date of AGM and also at the venue of the AGM.
- d) In case you have any query related to the enclosed annual accounts you are requested to send the same to the Company Secretary at the Registered office of the Company or on email [Id compliance@prakashwoollen.com](mailto:compliance@prakashwoollen.com), at least 10 (ten) days before the date of AGM so as to enable the management to collect the relevant information and redress the queries.
- e) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- f) In order to implement the Green Initiatives of the Government, whereby Companies have now been allowed to send/ serve notice(s) / document(s) / Annual Report(s) etc. to their Members through electronic mode, your Company hereby requests all its Members to register/ change, if required, their email ID with the RTA (in case of Physical holding) and with the Depository Participant (in case of Dematerialized holding), if not yet provided, to promote Green Initiative.
- g) As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, "No gifts, gift coupons, or cash in lieu of gifts shall be distributed to the members at or in connection with the meeting".

### 4. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

Shareholders can also cast their vote electronically using CDSL's mobile app m-Voting available for android, iPhone and windows based mobiles. The m-Voting app can be downloaded from google play store, App store and the windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

The facility for voting through ballot paper will also be made available at the Annual General Meeting (AGM) and the members attending the AGM who have not already cast their votes by e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are given below.

The Board of Directors has appointed Mr. Rupinder Singh Bhatia, Practicing Company Secretary (Membership No. FCS 2599), as scrutinizer for conducting the e-voting process in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the AGM by Polling Papers and thereafter unlock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The results of remote e-voting and votes casted at the meeting shall be aggregated. The Scrutinizer shall make, within a period not exceeding two days from the conclusion of the AGM; a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman of the meeting or a person authorized by him in writing.

The Results of voting along with the report of the Scrutinizer shall be placed on the website of the Company [www.prakashwoollen.com](http://www.prakashwoollen.com) and on the website of CDSL, immediately after the declaration of result by the Chairman of the meeting or a person authorized by him. The results shall also be communicated to the stock exchanges where the shares of the Company are listed.

The route map along with prominent land mark for easy location of the 42<sup>nd</sup> Annual General Meeting venue is printed on the last page of the Annual report.

#### **The instructions for shareholders voting electronically are as under:**

The voting period begins on **15<sup>th</sup> September, 2021 (10:00 Hours (IST)) and ends on 17<sup>th</sup> September, 2021 (17:00 Hours (IST))**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **11<sup>th</sup> September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (i) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (ii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System MYEASI.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>

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Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

#### (i) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

Click on "Shareholders" module.

Now enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

After entering these details appropriately, click on "SUBMIT" tab.

Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



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For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the **PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** on which you choose to vote.

On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

Note for Non – Individual Shareholders and Custodians –Remote Voting

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **[compliance@prakashwoollen.com](mailto:compliance@prakashwoollen.com)**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### **5. SCRUTINIZER :**

- a) Mr. Rupinder Singh Bhatia, Practicing Company Secretary (Membership No. FCS 2599), having consented to act as a scrutinizer has been appointed as "Scrutinizer" for scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.
- b) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, through "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes, by availing the Remote E-voting facility.

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- c) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not later than 3 (three) days from the conclusion of the AGM, prepare and present a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.

### 6. DECLARATION OF RESULTS :

The Result of voting (Remote E-voting and the voting at the AGM) on the resolutions shall be declared not later than 3 (three) days from the date of AGM by the Chairman or any person authorized by him for this purpose and will be displayed at the Registered Office of the Company situated at 18th Km Stone, Moradabad Road Delhi, Road Nh-24, Village Amhera Distt J P Nagar UP 244102 and communicated to BSE Limited where the equity shares of the Company are listed and will also be displayed on the Company's website: [www.prakashwoollen.com](http://www.prakashwoollen.com)

### 7. DEMATERIALIZATION :

As SEBI has mandated that transfer of securities in a listed company will be processed only if the securities are held in dematerialized form, the Members, who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Company's RTA.

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

### Item No. 3

M/s. A. Anand & Co., Chartered Accountants (Firm Registration No. **005147C**) were appointed as the Statutory Auditors in the financial year 2014-15 i.e. 25<sup>th</sup> September, 2014. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. MCA vide order dated 30.06.2016 clarified that Section 139 of the Act has provided a period of three years from the date of commencement of the Act to comply with this requirement.

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ('the Act'), M/s. A. Anand & Co. were appointed as the Statutory Auditors of the Company at the 37<sup>th</sup> Annual General Meeting ('AGM') held on 23<sup>rd</sup> September, 2016 for a term of 5 years i.e. to hold office upto the conclusion of the 42<sup>nd</sup> AGM. M/s. A. Anand & Co. would be completing 7 years as the Statutory Auditors of the Company at this AGM. In accordance with Section 139(2) of the Act and the transitional provisions provided under Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. A. Anand & Co., Chartered Accountants are eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 10<sup>th</sup> August, 2021, proposed the appointment of M/s. A. Anand & Co., Chartered Accountants (Firm Registration No. **005147C**) for second term, as the Statutory Auditors of the Company for a period of three (3) years to hold office from the conclusion of this AGM till the conclusion of the 45<sup>th</sup> AGM of the Company to be held in the calendar year 2024.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors, Key Managerial Personnel and their relatives has any concern or interest, financial or otherwise, in the resolution at Item No. 3 of this Notice.

### Item No. 4

The Board of Directors of the Company (the 'Board'), at its meeting held on 07<sup>th</sup> May, 2021 has, on the recommendation of Nomination and Remuneration Committee appointed Mrs. Rajni Gupta (Din: 09160441) as an Additional Director w.e.f. 07<sup>th</sup> May, 2021. Her term expires at the conclusion of forthcoming AGM. Your directors recommend that she will be appointed as a regular director on the board of the company liable to retire by rotation.

Pursuant to the provision of sections 152 of the Companies Act and SEBI (LODR) Regulation 2015, as amended from time to time, the members' approval is required for the appointment of Mrs. Rajni Gupta (DIN: 09160441) as a Director and **Non-Executive Woman Director**. Mrs. Rajni Gupta is one of the promoter of the company.

She is a person of integrity reliability. The Board is of the opinion that Mrs. Rajni Gupta's knowledge is valuable asset to the company which will add value and her enriched point of view in all aspects of the company's working and decision making at during Board discussion.

A brief profile of Mrs. Rajni Gupta along with the required particulars is given at the end of the statement. Further, Mrs. Rajni Gupta has confirmed that she is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a Non-Executive Woman Director. Mrs. Rajni Gupta has also confirmed that she is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

Shareholders are requested to please approve her appointment as a director as mentioned in relevant item no. 4 of the notice.



## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 4.

Name	<b>Mrs. Rajni Gupta</b>
Designation	Director
Date of Birth	24-03-1952
Date of first appointment	She is associated with the company as the promoter. Date of appointment as an Additional director is 07.05.2021.
Qualification	Graduate
Experience	Mrs. Rajni Gupta was associated with the company as Promoter. She is a person of integrity reliability.
Profile	Mrs. Rajni Gupta is graduate. She is the wife of Mr. Daya Kishan Gupta who is the Managing Director of the company. She is associated with the company as Promoter and appointed as a Director w.e.f 07.05.2021.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
*Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2021	393600 (3.84% of the paid up capital of the company)
No. of Board Meeting attended during the year	None
Terms & Conditions of appointment	In compliance with the provisions of Sec. 152, 160 of the Act, the appointment of Mrs. Rajni Gupta as a Non-Executive Woman Director liable to retire by rotation.
Past Remuneration	NIL
Relationship with other Directors	Wife of Mr. Daya Kishan Gupta. Sister-in law of Mr. Vijay Kumar Gupta & Mr. Ved Prakash Gupta. Paternal Aunty of Adeep Gupta.

\* Only Committees which are necessary under the Companies Act, 2013 have been considered for this purpose.

None of the Directors, Key Managerial Personnel and their relatives except Mrs. Rajni Gupta, Mr. Daya Kishan Gupta, Mr. Vijay Kumar Gupta, Mr. Ved Prakash Gupta & Mr. Adeep Gupta, has any concern or interest, financial or otherwise, in the resolution at Item No. 4 of this Notice.

The Board recommends the Ordinary Resolution as set out in Item No.4 of the Notice for approval by the members.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### Annexure I

#### Details of Directors Seeking Re-appointment at the 41<sup>st</sup> Annual General Meeting

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Clause 1.2.5 of Secretarial Standards.

Name	Mr. Vijay Kumar Gupta
Designation	Whole Time Director & CFO
Date of Birth	07-08-1953
Date of first appointment	He is associated as director since incorporation of the company
Qualification	Graduate
Experience	40 years of experience in the field of industry, business and corporate management.
Profile	Mr. Vijay Kumar Gupta is on this post since incorporation and has wide experience in field of Finance management.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2021	453709
No. of Board Meeting attended during the year	Five out of five
Terms & Conditions of re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m. inclusive of perquisites. Proposed remuneration is as per the Nomination and of Remuneration Policy of the Company. Terms and Conditions of appointment is as per the appointment letter
Past Remuneration	Remuneration
Relationship with other Directors	Brother of Daya Kishan Gupta, Late Jai Kishan Gupta & Ved Prakash Gupta. Uncle of Adeep Gupta and brother in law of Rajni Gupta.

By Order of the Board of Directors  
For Prakash Woollen & Synthetic Mills Limited  
Sd/-  
(Daya Kishan Gupta)  
Managing Director  
DIN : 00337569

13<sup>th</sup> August, 2021  
Registered Office:  
18<sup>th</sup> Km. Stone, Delhi Moradabad Road  
NH-24, Village Amhera, Distt. J.P Nagar,  
Uttar Pradesh-244102  
CIN: L17291UP1979PLC004804  
E-mail: info@prakashwoollen.com

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## BOARD'S REPORT

### To The Members,

Your Directors are pleased to present 42nd Annual Report covering the operational and financial performance of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2021.

### FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Particulars	2020-21	2019-20
Revenue from operations	9755.42	13256.55
Other Income	68.18	50.59
<b>Total Revenue</b>	<b>9823.60</b>	<b>13307.14</b>
Profit before Depreciation & Tax	917.74	963.69
Depreciation	422.23	429.11
<b>Profit before Tax &amp; Exceptional Items</b>	<b>495.51</b>	<b>534.58</b>
Current tax inclusive of earlier year tax	(119.92)	(175.66)
Deferred Tax Asset/Liability	1.77	(24.13)
<b>Profit after Tax</b>	<b>377.36</b>	<b>805.57</b>
Other Comprehensive Income		
Remeasurements of net defined benefit plans	8.39	(11.14)
Income tax relating to above items	(2.33)	3.10
<b>Total Comprehensive Income for the period</b>	<b>383.42</b>	<b>797.53</b>
Earning Per Share	Rs. 3.68	Rs. 7.85

### KEY HIGHLIGHTS/ REVIEW OF OPERATIONS

During the period under consideration the revenue of the Company has decreased from Rs. 13307.14 lakh to Rs 9823.60 lakh (74%) due to COVID.

### COVID-19 EFFECT

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and cost, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

The net profit after tax of the Company has decreased from Rs. 805.57 lakh to Rs. 377.36 lakh. Your directors hope for better results in the coming financial years. There is a decrease of 47% in profits for the year ended 31.03.2021 as compared to the profits earned in financial year ending 31.03.2020.

### STATE OF AFFAIRS

The company specializes in the production of Mink Blankets and Bed Covers. The manufacturing unit boasts of state-of-the-art machinery based on the most advanced technology which has been specially imported for the production facility. The company has stream lined facilities for knitting, dyeing, processing, printing, finishing and packaging. The complete facility is backed by the team of highly skilled and experienced workforce, who ensure zero defects at every stage of production. It is expected that the company will achieve good growth in times to come.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There are no material changes affecting the affairs of the company which have occurred between the end of the financial year on March 31, 2021 of the company to which the financial statements relate and the date of this report.

### CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business during the financial year under review.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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## DIVIDEND

In order to meet the working capital requirements of the Company, no dividend has been recommended during the period under review,

## GENERAL RESERVES

No amount was transferred to General Reserve.

## DEPOSITS

Your Company has no unclaimed / unpaid matured deposit or interest due thereon. Your Company has not accepted any deposits covered under 'Chapter V - Acceptance of Deposits by Companies' under the Companies Act, 2013 during the financial year ended March 31, 2021, but there was an outstanding loan of Rs. 26292131 including interest from the Promoter-Directors, of the Company which is exempted as deposit under Rule 2(c)(viii) of Companies(Acceptance of Deposit) Rules, 2014.

## CAPITAL STRUCTURE

The Authorized Share Capital of the Company as on March 31, 2021 stands at Rs. 12,00,00,000/- divided into 1,20,00,000 equity shares of Rs. 10/- each. The Subscribed and Paid up Equity Share Capital as at March 31, 2021 stood at Rs. 10,25,97,500/- divided into 1,02,59,750 equity shares of Rs. 10/- each fully paid-up.

During the year under review, the Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. There was no buy back of shares. As on March 31, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V (B) of the Securities of Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your company does not have any unlisted/listed subsidiary company or Joint Venture or any Associate Company, pursuant to the provisions of the Rule 8 of Companies (Accounts) Rules, 2014, therefore, no requirement of attachment of Form AOC-1.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act 2013, your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or covered under Section 188 of the Companies act, 2013. Hence, the details of such contracts or arrangements with its related parties are not disclosed in Form AOC-2 as prescribed under the Companies Act, 2013 and the Rules framed thereunder.

All such Related Party Transactions are placed before the Audit Committee for approval, prior omnibus approval for normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal business transactions which cannot be foreseen and accordingly the details of related party transactions entered into by the company pursuant to each of the omnibus approval given has been reviewed by audit committee on a quarterly basis in terms of the approval of the Committee.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

The Policy on dealing with related party transactions and on determining materiality of related party transactions as approved by the Board may be accessed on the Company's website at the link

<http://prakashwoollen.com/sites/default/files/Policy%20On%20Related%20Party%20Transaction.pdf>

### RISK MANAGEMENT

In accordance with provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to maintain Risk Management Committee.

### INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of its operations. It comprises of audit and compliance by internal audit checks by M/s Pulkit Rastogi & Co.-Amroha, Internal Auditors of the Company.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the financial transactions and review various business processes. Independence of the Internal Auditors and compliance is ensured by the direct report of Internal Auditors to the Audit Committee of the Board.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Daya Kishan Gupta, Managing Director, retire by rotation and being eligible offer himself for re-appointment. Your Company is managed and controlled by a Board comprising an optimum blend of Executives and Non-Executive Professional Directors. As on 1<sup>st</sup> April, 2020 the Board consists of Eight (8) Directors including (1) Chairman & Managing Director, (1) Whole time Director & CFO (1) Whole time Director and five (5) Non-executive Directors, out of which four (4) are Independent Directors including one Woman Director. As on 1<sup>st</sup> April, 2021 the Board consists of Seven (7) Directors including (1) Chairman & Managing Director, (1) Whole time Director & CFO (1) Whole time Director and (4) Non-executive Directors, out of which three (3) are Independent Directors.

Mr. Daya Kishan Gupta was re designated from Whole-time director to Chairman & Managing Director as on 15<sup>th</sup> June, 2021. Mr. Adeep Gupta was appointed as an AD and Whole-time director w.e.f. 15<sup>th</sup> June, 2021.

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. All the Directors possess the requisite qualifications and experience in general corporate Management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

There is no change in directors except that Mr. Jai Kishan Gupta, Chairman & Managing Director who expired as on 2<sup>nd</sup> June, 2020. Mrs. Sushma Pandey, Non-executive Woman Independent Director expired as on 16<sup>th</sup> February, 2021. In the Annual General Meeting held on 24<sup>th</sup> September, 2020, with the consent of shareholders the designation of Mr. Daya Krishna Gupta was changed from WTD to MD w.e.f. 15.06.2020. Further Mr. Adeep Gupta has been appointed as a WTD w.e.f. 15.06.2020.

Mrs. Rajni Gupta has been appointed as Additional Director and Non-Executive Woman Director by the Board at its meeting held on 07.05.2021, Your Board recommends that her appointment be confirmed/approved at the forthcoming annual general meeting.

Ms Ruchi Gupta is the Company Secretary and Compliance Officer.

### DECLARATION BY INDEPENDENT DIRECTORS

All the Independent directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of Section 149 read with Schedule IV of the Companies Act, 2013. The Board confirms that the independent directors meet the criteria as laid down under the Companies Act, 2013.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR), 2015, a separate meeting of the Independent Directors of the Company was held on 18<sup>th</sup> March 2021 to discuss the agenda items as prescribed under the applicable laws. The meeting was attended by all Independent Directors of the Company.

### FORMAL ANNUAL EVALUATION

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation i.e. evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The Performance evaluation was carried out by the Nomination and Remuneration Committee based on the "Annual Evaluation Framework" prepared by the Committee.

The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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- Tracking Board and committees' effectiveness
- Peer evaluation

In compliance with the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors during the period under review. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation involves Self-Evaluation by the Board Members and subsequent assessment by the Board of Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The details of the framework for performance evaluation of Independent Directors, Board, Committees and other individual Directors are placed on the website of the company at the link: <http://prakashwoollen.com/?q=node/190>

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://prakashwoollen.com/?q=node/425>

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, key managerial personnel and senior management of the company. This policy also lays down criteria for selection and appointment of Board Members.

### AUDITORS

#### Statutory Auditors

The shareholders of the Company at AGM held on September 23<sup>rd</sup> 2016 had appointed M/s. A. Anand & Co., Chartered Accountants (Firm Registration No. **005147C**), as the Statutory Auditors of the Company for a term of 5 years, i.e., from the Thirty Seventh Annual General Meeting of the Company to hold such office till the conclusion of the Forty Second Annual General Meeting (forthcoming AGM) of the Company. They are proposed to be reappointed for another term of Three years at the forthcoming AGM

#### Auditors' Report

The Report given by M/s. A. Anand & Co, Statutory Auditors on the financial statement of the Company for the year ended March 2021 is part of the Annual Report. There are no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

#### Cost Auditors

Companies (cost records and audit) (Amendment) Rules, 2015 are not applicable on the Company for the financial year 2020-21.

#### Secretarial Auditor

The Board had appointed Mr. R.S. Bhatia (CP No.2514). Practicing Company Secretary, to carry out Secretarial Audit in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2021. The Secretarial Audit Report for the financial year ended March 31, 2021 has been obtained. The observations given in the Secretarial Audit Report are self-explanatory and does not require any further clarifications. A copy of Secretarial Audit Report from Mr. R.S. Bhatia for financial year ended March 31, 2021 in the prescribed Form No. MR-3 is annexed to this report as **Annexure I**.

### COMPOSITION OF COMMITTEES

#### Audit Committee

The Board of Directors of the Company has a duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The terms of reference of the Audit Committee has been approved by the Board of Directors. Composition of the Audit Committee, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report.

The Audit Committee comprises three Non-Executive Independent Directors namely Dr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mr. Mahendra Kumar Agrawal as other members. All the recommendations made by the Audit Committee were accepted by the Board.

#### Nomination and Remuneration Committee

The Board of Directors constituted a Nomination and Remuneration Committee comprising three Non-Executive Independent Directors namely Dr. Satish Kumar Raj (Member), Mr. Pramod Kumar Agarwal (Member) and Mr. Mahendra Kumar Agrawal (Chairman) as other members. The function of the Nomination and Remuneration Committee includes recommendation of appointment of KMP(s), Whole-time Director(s)/ Managing Director/Joint Managing Director and recommendation to the Board of their remuneration.

A Nomination and Remuneration Committee has been constituted under section 178 of the Companies Act 2013 for formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.



## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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The aforesaid policy has been posted on the Website of the Company:-

<http://prakashwoollen.com/sites/default/files/Policy%20On%20Nomination%20%26%20Remuneration%20Committee.pdf>

### **Stakeholder Relationship Committee**

The Board of Directors constituted a Stakeholder Relationship Committee comprising three Non- Executive Independent Directors namely Dr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mr. Mahendra Kumar Agrawal as other members. The Stakeholder Relationship Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, rematerialization and dematerialization of shares and transfer of shares of the Company.

The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee comprises three Non- Executive Independent Directors namely Dr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mr. Mahendra Kumar Agrawal as other members. The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the areas of CSR. During the financial year ended 31st March, 2021, In the Committee meeting held on 24.06.2021 the Chairman of Committee had recommended to the Board to approve the amendments to its CSR Policy as per Companies Act, 2013. During the financial year ended 31st March, 2021, the Committee met once on 21<sup>st</sup> August, 2020.

The Corporate Social Responsibility Policy put on the Company's website at [www.prakashwoollen.com](http://www.prakashwoollen.com) at the web link:

<http://prakashwoollen.com/?q=node/444>

The CSR activities, composition of the CSR Committee and other prescribed details are annexed as **Annexure II**. There is no amount which is laying unspent in respect of the financial under review.

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of provisions of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. The Company has a whistle blower policy/ vigil mechanism for directors and employees to report genuine concerns or grievances.

The whistle Blower policy has been posted on the Website of the Company:-

<http://prakashwoollen.com/sites/default/files/Whistle%20Blower%20Policy.pdf>

### **MEETINGS OF THE BOARD OF DIRECTORS**

Five meetings of the Board of Directors were held during the financial year 2020-21 i.e. on 15.06.2020, 29.06.2020, 21.08.2020, 09.11.2020, and 09.02.2021. The details of the meetings of the Board held during the financial year 2020-21 forms part of the Corporate Governance Report.

### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

The Company has not given any loan, made investment and provided security in terms of section 186 of the Companies Act, 2013.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure III** to this Report.

### **DEPOSIT**

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 but there was an outstanding loan of Rs. 707.42 Lakhs as on 31.03.2021 from State Bank of India, Revenue received in advance of Rs. 448.17 lakh from customers and unsecured borrowing of Rs. 260.00 lakh from promoters-directors of the company which is exempted as deposit under clause (c) of sub rule 1 of rule 2 of Companies(Acceptance of Deposit) Rules, 2014.

### **EXTRACT OF ANNUAL RETURN**

#### **ANNUAL RETURN**

Pursuant to Sec 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return can be accessed at Company's website at <https://www.prakashwoollen.com/?q=node/450>

### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has constituted Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee to enquire in to complaints of Sexual Harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the financial year 2020-21.

Your Directors state that during the financial year ended March 31, 2021 under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive directors	Ratio to median Remuneration
Mr. Pramod Kumar Agarwal	0.04:1
Mr. Mahendra Kumar Agarwal	0.07:1
Mr. Satish Kumar Raj	0.09:1
Late Mrs. Sushma Pandey	0.03:1
Mr. Ved Prakash Gupta	0.00:1
Executive directors	Ratio to median Remuneration
Mr. Vijay Kumar Gupta	13.15:1
Mr. Daya Kishan Gupta	13.15:1
Late Mr. Jai Kishan Gupta	02.50:1
Mr. Adeep Gupta	9.95:1

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Vijay Kumar Gupta	5.00
Mr. Daya Kishan Gupta	40.00
Late Mr. Jai Kishan Gupta	-71.41
Mr. Adeep Gupta	139.29
Mr. Ved Prakash Gupta	0.00
Mr. Pramod Kumar Agarwal	-58.82
Mr. Mahendra Kumar Agarwal	333.33
Mr. Satish Kumar Raj	-15.00
Late Ms. Sushma Pandey	-66.67
Ms. Ruchi Gupta	7.82

Remuneration of Independent Director is sitting fees.

- c. The percentage decrease in the median remuneration of employees in the financial year: **-4.96%**
- d. The number of permanent employees on the rolls of Company: **29**
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around **9.97%**.

Increase in the managerial remuneration for the year was **11.23%**.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

Information Pursuant to compliance of Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

S. No	Name of The Employee	Designation	Nature of Employment	Educational Qualification	Age	Experience (in years)	Date of Joining	Remuneration Paid (₹)	Whether employee is relative of Director
1	Vijay Kumar Gupta	Whole Time Director & CFO	Permanent	Commerce Graduate	68	42	23/08/1979	6300000	Brother of Mr. Daya Kishan Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta, Uncle of Mr. Adeep Gupta and Brother in law of Mrs. Rajni Gupta
2	Daya Kishan Gupta	Managing Director	Permanent	Commerce Graduate	72	42	18/07/1979	6300000	Brother of Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta, Uncle of Mr. Adeep Gupta and Husband of Mrs. Rajni Gupta
3	Late Jai Kishan Gupta	Ex-Chairman & Managing Director	Permanent	Commerce Graduate	74	42	18/07/1979	1200000	Brother of Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta, Mr. Ved Prakash Gupta
4	Adeep Gupta	Whole Time Director	Permanent	Commerce	49	24	1/7/2004	4766666	Son of Late Mr. Jai Kishan Gupta and nephew of Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta, Mr. Ved Prakash Gupta and Mrs. Rajni Gupta
5	Kapil Gupta	Vice President-Sales & Marketing	Permanent	M.Com	46	21	1/6/2004	2096000	Son of Mr. Daya Kishan Gupta
6	Ashish Gupta	Vice President-Finance	Permanent	Commerce Graduate	42	17	1/7/2004	2096000	Son of Mr. Vijay Kumar Gupta
7	Sanjay Kumar Agarwal	Manager-Plant & Operations	Permanent	Mechanical Engineer-B.E	61	35	1/4/2000	2096000	NIL
8	Praveen Gupta	Manager Accounts	Permanent	B.Com, FCA	61	35	1/8/2021	1889500	NIL
9	Omkar Dongre	General Manager	Permanent	Diploma in Industrial Management	61	39	1/9/2021	595000	NIL

### GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares/ ESOP) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material
6. Orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

Your Directors proudly acknowledge the contribution and hard work of the employees of the Company and its subsidiaries at all levels, who, through their competence, hard work, solidarity and commitment have enabled the Company to achieve consistent growth.

**For and on behalf of the CSR Committee**

Place: Vill Amhera (J.P.Nagar)  
Date : 13<sup>th</sup> August 2021

Satish Kumar Raj  
**Chairman**  
**DIN: 00852221**

Daya Kishan Gupta  
**Managing Director**  
**DIN: 00337569**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

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

The Members,  
Prakash Woollen & Synthetic Mills Limited,  
18th Km Stone,  
Delhi Moradabad Road,  
Nh-24, Village Amhera Distt,  
J P Nagar UP 244102  
CIN No.:L17291UP1979PLC004804

I have conducted the Secretarial Audit in respect of compliance with specific applicable statutory provisions and adherence to good corporate practices by "Prakash Woollen & Synthetic Mills Limited" (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct/statutory compliance and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the book, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Acts") and the rules made there under, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings. Neither there were any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment which were required to be reported during the financial year.
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 (herein after referred as SEBI LODR);
  - j. Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;
- (vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management:
  - a. Explosives Act, 1884
  - b. Petroleum Act, 1934

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

- c. The Legal Metrology Act, 2009 & Rules made there under
- d. Hazardous Wastes (Management & Handling) Act & Rules 1989 made there under

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the information received and records made available I further report that;

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Act and the SEBI LODR Regulations. At Board Meeting, the designation of Mr. Daya Kishan Gupta was changed from Whole-Time Director to Managing Director & Mr. Adeep Gupta was appointed as an additional director & Whole-Time Director of the Company w.e.f. 15<sup>th</sup> June, 2020. At the 41<sup>st</sup> Annual General Meeting, Mr. Adeep Gupta was appointed as a Director & Whole-Time Director w.e.f. 15<sup>th</sup> June, 2020 and the designation of Mr. Daya Kishan Gupta was changed from Whole-Time Director to Managing Director w.e.f. 15<sup>th</sup> June, 2020. Mrs. Sushma Pandey, Non-Executive Independent Director expired on 16<sup>th</sup> February, 2021.

The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

S. No.	Compliance Requirement (Regulations/ circulars /guidelines including specific clause	Deviations	Observations / Remarks of the Practicing Company Secretary
1	<b>In case value of trade(s) is more than Rs 10 lacs in a calendar quarter –than</b> a) Intimation of trade(s) to be given by promoter/promoter group/ D P to Company under <b>Regulation 7</b> of SEBI (Prohibition of Insider Trading) Regulations, 2015	<ol style="list-style-type: none"> <li>1) Delay in intimation by Mr. Kapil Gupta, Promoter of the Company for off market sale of 100000 equity shares of the Company made on 13.04.2020 and which was reported to company as on 19.04.2021.</li> <li>2) Delay in intimation by Mr. Jai Kishan Gupta HUF, Promoter of the Company for off market / inter se transfer between relative/promoter of 330590 equity shares of the Company made on 08.10.2020 and reported to the company as on 19.04.2021.</li> <li>3) Delay in intimation by Mr. Adeep Gupta HUF, Promoter of the Company for off market acquisition/ inter se transfer between relative/ promoter of 330590 equity shares of the Company as on 08.10.2020 and reported to company as on 19.04.2021.</li> <li>4) Delay in intimation by Mr. Adeep Gupta, Director &amp; promoter of the Company for off market / inter se transfer between relative/ promoter (to his Son) 330590 equity shares of the Company as on 15.10.2020 and reported to company as on 19.04.2021</li> <li>5) Delay in intimation by Mr. Aditya Gupta, Promoter of the Company for off market acquisition between relative/promoter (from his father) 330590 equity shares of the Company made on 15.10.2020 and reported to company as on 19.04.2021.</li> </ol>	<ol style="list-style-type: none"> <li>1- Delay of 371 days in giving intimation by Kapil Gupta to company.</li> <li>2- Delay of 193 days in intimation by Jai Kishan Gupta HUF to company.</li> <li>3- Delay of 193 days in intimation by Adeep Gupta HUF to company.</li> <li>4- Delay of 186 days in intimation by Adeep Gupta to company i.e. as on 19.04.2021.</li> <li>5- Delay of 186 days in intimation by Aditya Gupta to company i.e. as on 19.04.2021.</li> </ol> <p><b>Note:</b> In all these above matter reporting was made by company on 20.04.2021.</p>
2	Disclosure as per <b>Regulation 29(2)</b> of SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011	<ol style="list-style-type: none"> <li>1) Delay in intimation by Mr. Jai Kishan Gupta HUF, Promoter of the Company for off market / inter se transfer between relative/promoter of 330590 equity shares of the Company as on 08.10.2020 and which was reported on 19.04.2021.</li> </ol>	<ol style="list-style-type: none"> <li>1- Delay of 193 days in intimation by Jai Kishan Gupta HUF to company.</li> </ol>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

		<p>2) Delay in intimation by Mr. Adeep Gupta HUF, Promoter of the Company for off market acquisition/ inter se transfer between relative/ promoter of 330590 equity shares of the Company by him made on 15.10.2020 and which was reported on 19.04.2021.</p> <p>3) Delay in intimation by Mr. Adeep Gupta, Director &amp; promoter of the Company for off market between relative/promoter (to his son) 330590 equity shares of the Company as on 15.10.2020 and which was reported on 19.04.2021.</p> <p>4) Delay in intimation by Mr. Aditya Gupta, Promoter of the company for off market acquisition between relative/promoter (from his father) 330590 equity shares of the Company as on 15.10.2020 and which was reported on 19.04.2021.</p>	<p>2- Delay of 193 days in intimation by Adeep Gupta HUF to company i.e. as on 19.04.2021.</p> <p>3- Delay of 186 days in intimation by Adeep Gupta to company i.e. as on 19.04.2021.</p> <p>4- Delay of 186 days in intimation by Aditya Gupta to company i.e. as on 19.04.2021.</p>
3	Disclosure as per <b>Regulation 10(1) (a)(ii)</b> of SEBI SAST Regulations, 2011	<p>1) Late disclosure of proposed acquisition was made under regulation 10(5) by Mr. Aditya Gupta as on 20.04.2021 whereas the same was required to be made on 11.10.2020 for transaction made on 15.10.2020.</p> <p>2) Late disclosure after the date of proposed acquisition was made under regulation 10(6) by Mr. Aditya Gupta as on 20.04.2021 whereas the same was required to be made on 19.10.2020 for transaction made on 15.10.2020.</p> <p>3) Late report has been submitted for acquisition under regulation 10(7) by Mr. Aditya Gupta as on 22.04.2021 whereas the same was required to be made on 5.11.2020 for transaction made on 15.10.2020.</p>	The disclosures under regulation 10(5) & 10(6) was submitted to stock exchange as on 20.04.2021. Thus, there is a Delay of 191 days in intimation under regulation 10(5) & delay of 183 days in intimation under regulation 10(6) by Aditya Gupta Report under Regulation 10(7) of SEBI SAST Regulations, 2011 along with Fees of Rs. 1,50,000 was submitted by Mr. Aditya Gupta to BSE as on 22.04.2021. Thus there is a delay of 168 days in reporting under regulation 10(7) by Aditya Gupta
4	AS per <b>Code of conduct</b> of the company framed under <b>Regulation 9</b> of SEBI (Prohibition of Insider Trading) Regulations, 2015 Directors of the company : i) Should have taken prior approval from Compliance Officer for entering into any transactions. ii) Should have reported to compliance officer within 2 days. iii) Compliance Officer should have reported default to stock exchange within two days	Mr. Kapil Gupta & Mr. Adeep Gupta has violated CODE: i) Prior approval not obtained for entering into transaction during window closure however post approval was obtained on 19.04.2020. ii) Did not report to compliance officer within 2 days of transaction however reporting was made as on 19.04.2021.	Violation relating to Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015 has been reported to BSE on 20.04.2021.
5	As per <b>Regulation 31(2)</b> of (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 CREATION of pledge	Kapil Gupta HUF pledged 200000 shares on 21.10.2020 There is delay in giving disclosure of pledge of shares by Kapil Gupta HUF. Event occurred on 21.10.2020, but disclosure was given on 07.04.2021.	There is a delay of 168 days in reporting by Kapil Gupta HUF to company. Company reported to BSE on 07.04.2021.

- ii. Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- iii. All the decisions at the Board Meetings and Committee meetings were carried through with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. The dissenting members' views, if any, were captured and recorded as part of the minutes.
- iv. As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.



## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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- v. There are adequate systems & processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations & guidelines.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Except elsewhere mentioned in this report, in my opinion and to the best of my information and according to explanations given to me, I believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

I further report that:

At the Annual General Meeting held on 24<sup>th</sup> September, 2020, the following Special **businesses** were carried:-

- 1- Re-designation of Mr. Daya Kishan Gupta (DIN: 00337569) as Managing Director w.e.f. 15th June, 2020, was approved.
- 2- Mr. Adeep Gupta (DIN: 06612645) was appointed as a Director and also as a Whole Time Director w.e.f. 15th June, 2020.

Place: New Delhi  
Date: 13.8.2021

R. S. Bhatia  
Practicing Company Secretary  
CP No: 2514  
UDIN No.:- F002599C000783467

**Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed to this report and forms an integral part of this report**

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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## *Annexure A*

The Members,  
Prakash Woollen & Synthetic Mills Limited,  
18th Km Stone,  
Delhi Moradabad Road,  
Nh-24, Village Amhera Distt,  
J P Nagar U.P 244102  
CIN No.: L17291UP1979PLC004804

My Secretarial Audit Report of given date is to be read along with this letter.

1. Maintenance of records is the responsibility of the management of the Company. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices, and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on text basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.
4. The compliance of the provisions of the SEBI laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on text basis.
5. As regards the books, papers, forms, reports and returns filed by the company under these regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of the management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the company under the said regulations. We have verified the correctness and coverage of the contents of such forms.

**Place: New Delhi**  
**Date: 13.8.2021**

**R. S. Bhatia**  
**Practicing Company Secretary**  
**CP No: 2514**  
**UDIN No.:- F002599C000783467**

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

- Brief outline on CSR Policy of the Company** : Our CSR Policy aims to provide a dedicated approach to community development in the areas of improving healthcare infrastructure, supporting primary education, rehabilitating the destitute, abandoned women and children, preserving Indian art and culture, removing malnutrition, rural development, and contribute to the sustainable development of society and environment, and to make our planet a better place for future generations.

**Objectives**= our broad objectives, as stated in our CSR Policy, include:

- Making a positive impact on society through economic development and reduction of our resource footprint.
- Taking responsibility for the actions of the Company while also encouraging a positive impact through supporting causes concerning the environment, communities and our stakeholders.

**Focus areas**

- Development on Communication, Arts & Culture, Science, Economic and Education Centre
- Promoting healthcare including preventive healthcare
- Eradicating hunger, poverty and sanitation programs

- Composition of CSR Committee:** Please refer Corporate Governance Report for details on the composition of the CSR Committee, number of CSR Committee Meetings held and attended by the members during the year.
- Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.** = <http://prakashwoollen.com/?q=node/444>
- Detail of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.** = N.A.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

S.No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1	2020-2021	-	Nil

- Average net profit of the company as per section 135(5) = 481.13 lakh**

	In lakh
a. Two percent of average net profit of the company as per section 135(5)	9.62
b. Surplus arising out of the CSR projects or programmes or activities of the previous financial	Nil
c. Amount required to be set off for the financial year, if	Nil
d. Total CSR obligation for the financial year (7a+7b-7c)	9.62

- a. CSR amount spent or unspent for the financial year:**

Amount Unspent in lakh

Total Amount Spent for the Financial Year	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
9.62	N.A.	Nil	N.A.	Nil	Nil

**b.Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S.No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project State District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation Through Implementing Agency Name CSR Registration no.
N.A./NIL										

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## c.Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project State  District	Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation Through Implementing Agency Name CSR Registration no.
1	Education	Promoting Education	No	H.Q. Ningthoukhong, Bishnupur District, Manipur-795126	9.62 lakh	No	Yes Name- D-Cacus-Education Centre CSR Registration no.- N A

d.Amount spent in Administrative Overheads = Nil

e.Amount spent on Impact Assessment, if applicable= NA

f.Total amount spent for the Financial Year (8b+8c+8d+8e) = 9.62

g.Excess amount for set off, if any = Nil

In lakh

S. No.	Particular	Amount
1	Two percent of average net profit of the company as per section 135(5)	9.62
2	Total amount spent for the Financial Year	9.62
3	Excess amount spent for the financial year [(2)-(1)]	-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5	Amount available for set off in succeeding financial years [(3)-(4)]	Nil

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

S.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years
				Name of the Fund Amount Date of transfer	
Nil					

## b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S.No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project Completed / Ongoing
Nil								

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

a	Date of creation or acquisition of the capital asset(s)	Nil
b	Amount of CSR spent for creation or acquisition of capital	Nil
c	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address	Nil
d	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) =  
Not Applicable

For and on behalf of the CSR Committee

Place: Vill Amhera (J.P.Nagar)  
Date: 24<sup>th</sup> June, 2021

Daya Kishan Gupta  
Managing Director

Satish Kumar Raj  
Chairperson-Board  
CSR Committee

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021 is given below and forms part of the Directors' Report.

**A) Conservation of energy:**

(i) the steps taken or impact on conservation of energy:

In line with the company's commitment toward conservation of energy, it continues with its efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction include: replacement of inefficient motor with energy efficient motors, replacement of lightings with LED and installation of capacitors at various machines.

(ii) the steps taken by the company for utilising alternate sources of energy:

The Company has installed Solar Power Plant and using solar energy as other alternate sources of energy in its factory.

(iii) the capital investment on energy conservation equipments: NIL

**(B) Technology absorption:**

(i) the efforts made towards technology absorption:

The efforts made by the company towards technology absorption during the year under review are:

- Efficient utilization of new boiler to reduce fuel consumption.
- Replacement of Lighting with LED.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

The company has set a standard that can match any global company in international products. The company produces mink blankets of single ply as well as of double ply with superfine finish.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - :  
Not Applicable

(a) the details of technology imported;

(b) the year of import;

(c) Whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development. : NIL

**(C) Foreign exchange earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year:

2020-21	2019-20
NIL	NIL

The Foreign Exchange outgo during the year in terms of actual outflows:

	2020-21	2019-20
Imports	70.84	90.66
Travelling	0.00	4.30
	<b>70.84</b>	<b>94.96</b>

**For and on behalf of the CSR Committee**

Place: Vill Amhera (J.P.Nagar)  
Date : 13<sup>th</sup> August 2021

Satish Kumar Raj  
**Chairman**  
**DIN: 00852221**

Daya Kishan Gupta  
**Managing Director**  
**DIN: 00337569**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1) OVERVIEW OF THE ECONOMY

#### Global Economy

The global textile industry impacts nearly every human being on the planet. The industry is currently worth nearly US \$3 trillion and includes the production, refinement, and sale of both synthetic and natural fibers used in thousands of industries. The global textile market is broken into a number of sectors. As you can see, the textile industry encompasses a broad and diverse range of products with an even wider range of applications. That diversity is one of many factors that makes the textile industry one of the most vital to the economic well-being of people all over the world.

The industry accounts for approximately 2% of global Gross Domestic Product and accounts for an even greater portion of GDP for the world's leading producers and exporters of textiles and garments. In addition, the global textile sector is facing many risks stemming from geopolitical tensions between major producer countries and consumer markets. Multinational brands are facing exposure to unstable political situations in producer countries such as Myanmar and geopolitical trade tensions between the US, EU and China.

The global textile industry was estimated to be around USD 920 billion, and it is projected to witness a CAGR of approximately 4.4% during the forecast period to reach approximately USD 1,230 billion by 2024, according to a recent report. In the context of the COVID-19 economic recovery, well-governed and transparent global supply chains will be key to delivering both environmental gains as well as a just transition for workers in the textiles and garments sector. However, in light of pandemic disruptions and trade tensions, some Western textile brands are looking to bring production closer to end markets instead of improving the resilience of existing supply chains. (Source: <https://www.chathamhouse.org/>)

#### Indian economy

Textile industry plays a significant role in the economy. The Indian textile industry is one of the largest and most important sectors in the economy in terms of output, foreign exchange earnings and employment in India. It contributes 20 per cent of industrial production, 9 per cent of excise collections, 18 per cent of employment in industrial sector, nearly 20 per cent to the country's total export earnings and 4 per cent to the GDP. The Indian textile and apparel market reached a value of US\$ 133 Billion in 2020. Textile is a term widely used for referring to woven fabrics, yarns and fibers made from jute, polyester, cotton, wool, etc. The textile sector also has a direct link with the rural economy and performance of major fibre crops and crafts such as cotton, wool, silk, handicrafts and handlooms, which employ millions of farmers and crafts persons in rural and semi-urban areas. It has been estimated that one out of every six households in the country depends directly or indirectly on this sector.

India has several advantages in the textile sector, including abundant availability of raw material and labour. It is the second largest player in the world cotton trade. It has the largest cotton acreage, of about nine million hectares and is the third largest producer of cotton fibre in the world. It ranks fourth in terms of staple fibre production and fourth in polyester yarn production. The textile industry is also labour intensive, thus India has an advantage. (Source: <https://www.fibre2fashion.com/>)

### 2) ANALYSIS AND REVIEW

#### Business Outlook

India's textiles industry contributed 7% to the industry output (by value) in 2018-19. The Indian textiles and apparel industry contributed 2% to the GDP, 12% to export earnings and held 5% of the global trade in textiles and apparel in 2018-19. The share of the India's textiles and apparel exports in mercantile shipments was 11% in 2019-20. Textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. Cotton production is expected to reach 36.0 million bales and consumption is expected to reach 114 million bales in FY21—13% growth over the previous year. The domestic textiles and apparel market stood at an estimated US\$ 100 billion in FY19.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.68 billion from April 2000 to December 2020. Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route. The Government is also making investments under the Scheme for Integrated Textile Parks and the Technology Upgradation Fund Scheme for training workforce and to encourage private investment in the Indian textile and apparel industry. Looking forward, IMARC Group expects the Indian textile and apparel market to grow at a CAGR of 13.80% during 2021-2026. The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. (Source: <https://www.ibef.org/>)

### 3) Indian Textile Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries.

The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralized power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world. (Source: <https://www.ibef.org/>)



## 4) Opportunities and Threats

Amended Technology Upgradation Fund Scheme is being implemented to upgrade technology/machineries of textile industry with an outlay of Rs. 17,822 crore during 2016-2022 which will attract investment of Rs. 1 lakh crore and generate employment in the textile sector by 2022. Where the rest of the world is still trying to recover from the effects of pandemic, the resumption of trade and commerce in China has enlightened the hope that the market will soon recover the cost that was spent during combating the pandemic. With the population of China requiring new opportunities to grow on an individual basis and as a community, this opportunity can be used by the Government to improve public health systems and aim for educating the people of serious threats, an emergency like this can pose and how to combat it with quick and efficient response.

Presently, the Indian textile industry is facing a problem to compete in the world textile market. This is because of weaknesses like fragmented infrastructure, rigid labour laws, technology obsolescence and many others. Due to fragmented infrastructure, India is unable to diversify. As only few countries open their markets, they have started looking for alternate investment options from their Chinese counterparts. It can be a while when the globe starts taking on active trade. The countries are already looking for ways to attract foreign companies and investors can take advantage of this unique circumstance, providing low cost alternative investment solutions. International diplomatic relations have also witnessed a strain among the countries. (Source: Textile Value Chain)

## 5) Risk and Concerns

There are numerous health and safety issues associated with the textile industry. They include: chemical exposure from the processing and dyeing of materials, exposure to cotton and other organic dusts, musculoskeletal stresses, and noise exposure. In principle, risk always results as a consequence of activities or as a consequence of non-activities. Risk Management and Risk Monitoring are important in recognizing and controlling risks. Risk mitigation is also an exercise aiming to reduce the loss or injury arising out of various risk exposures. Prakash Woollen adopts a systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. The Company will consider activities at all levels of the organization and its Risk Management with focus on three key elements, viz.,

(1) Risk Assessment

(2) Risk Management and Monitoring

(3) Risk Mitigation

The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

## 6) Internal Control Systems and their Adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The Audit Committee reviews reports presented by the internal auditors on a regular basis. The Committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively. Apart from the above the company has engaged M/s Pulkat Rastogi & Co.- Amroha, Chartered Accountant, to conduct Internal Audit during the year 2020-21.

## 7) Financial and operational performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. Please refer Directors' Report in this respect.

The Company is engaged in the blankets business only. Therefore there is only one reportable segment in accordance with the Accounting Standards on Segment Reporting (Ind AS 108).

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

## 8) Human Resources and Industrial Relations

Human resource is considered as the most valuable of all resources available to the Company. The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year the no. of employees associated with the company were 29.

The role of human resource management in organization is at counter stage. Managers are aware that HRM is a function that must play a vital role in the success of organization. It is an active participant in charting the strategic course an organization must take place to remain competitive, productive and efficient. Its focal point is people, people are the life blood of the organization. The uniqueness of HRM lies in its emphases on the people in work setting and its concerns for the well living and comfort of the human resources in an organization.

Industrial relation is the one of the major component which determine the potentiality and stability of the employees as well as helps to enrich the productivity of the business establishments. Textile industries were contributing more to the Indian economy in terms of export earnings as well as generating employment opportunities. The relationship between the employees and employers determine the productivity of the enterprises. If the industrial relation is good the enterprise will attain the success in all the side especially in terms of producing the materials without much defects.

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## REPORT ON CORPORATE GOVERNANCE

This report states compliance against the provisions of Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. (hereinafter collectively referred to as 'Listing Regulations').

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to create during value for all.

### STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Governance policy is based on trusteeship, transparency and accountability. As a corporate citizen our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

### Governance Structure

The Corporate Governance structure at Prakash Woollen & Synthetic Mills Limited is as follows:

#### 1. Board of Directors:

The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's Management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.

#### 2. Committees of the Board:

As required by Law the Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee. Each of the said Committee has been mandated to operate within a given framework.

### BOARD OF DIRECTORS

#### Size and Composition of the Board and Attendance Status

The composition of the board is in line with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company consists of Eight (8) Directors including (1) Chairman & Managing Director, (1) Whole time Director & CFO (1) Whole time Director and five (5) Non-executive Directors, out of which four (4) are Independent Directors including one Woman Director. As on 1 st April, 2021 the Board consists of Seven (7) Directors including (1) Chairman & Managing Director, (1) Whole time Director & CFO (1) Whole time Director and five (4) Non-executive Directors, out of which three (3) are Independent Directors.

The composition of the Board, category of Directors and Attendance Status at the Board meetings and AGM are as under:

Name of the Director	Category	Relationship with other Directors	No. of membership in Boards of Other companies	No. of Meeting Attended	Attendance of each director at last AGM
Mr. Daya Kishan Gupta	Promoter & Executive Director, Managing Director	Brother of Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta Uncle of Mr. Adeep Gupta and husband of Mrs. Rajni Gupta.	NIL	Five	Yes
Mr. Vijay Kumar Gupta	Promoter & Executive Director, CFO & Whole Time Director	Brother of Mr. Daya Kishan Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta, Uncle of Mr. Adeep Gupta and brother-in-law of Mrs. Rajni Gupta.	NIL	Five	Yes
* Mr. Adeep Gupta	Promoter & Executive Director, Whole Time Director	Son of Late Mr. Jai Kishan Gupta, Nephew of Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta, Mr. Ved Prakash Gupta and Mrs. Rajni Gupta	NIL	Five	Yes

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*Rajni Gupta	Promoter & Non- Executive Woman Director	Wife of Mr. Daya Kishan Gupta Sister-in law of Mr. Vijay Kumar Gupta & Mr. Ved Prakash Gupta. Paternal Aunty of Adeep Gupta.	NIL	NIL	NIL
Mr. Ved Prakash Gupta	Promoter & Non-Executive Director*	Brother of Mr. Daya Kishan Gupta, Late Jai Kishan Gupta, Mr. Vijay Kumar Gupta, Uncle of Mr. Adeep Gupta and brother-in-law of Mrs. Rajni Gupta.	One	One	No
Mr. Pramod Kumar Agarwal	Non-Promoter & Independent Director	NIL	NIL	Two	No
Mr. Mahendra Kumar Agarwal	Non-Promoter & Independent Director	NIL	NIL	Four	No
Dr. Satish Kumar Raj	Non-Promoter & Independent Director	NIL	One	Five	Yes
+ Late Mrs. Sushma Pandey	Non-Promoter & Independent Director	NIL	NIL	Two	No

\* appointed w.e.f. 15.06.2020

\* appointed w.e.f. 07.05.2021

+ Ceased to be Director due to death from 16<sup>th</sup> February, 2021

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five Committees across all companies in which they are Directors.

### INDEPENDENT DIRECTORS

The Non – Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges.

None of the Independent Director on the Board of the Company serve as an Independent Director in more than seven (7) Listed Companies nor holds the position of Whole time Director in any Listed Company. Independent Directors of the Company have been appointed in accordance with the applicable provisions of the Companies Act, 2013 ("Act") read with relevant rules.

Formal letters of appointment as per Schedule IV of the Act have been issued to the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company. The web link of same is given below: - <http://www.prakashwoollen.com/>

### BOARD'S PROCEDURES

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/ promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the board. This is an addition to information with regard to actual operations; major litigation feedback reports, information on senior level appointments just below the Board level and minutes of all Committee meetings. In addition to the information required under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board is also kept informed of major events/items and approvals taken wherever necessary.

### Board Meetings

During the financial year 2020-21 five (5) board meetings were held on 15.06.2020, 29.06.2020, 21.08.2020, 09.11.2020 and 09.02.2021. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors Present
June 15, 2020	8	7
June 29, 2020	8	6
August 21, 2020	8	6
November 09, 2020	8	5
February 09, 2021	8	5

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## MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Director takes appropriate steps to present their views to the Chairman and Managing Director. One separate meeting of Independent Directors was held during the year on March 18, 2021.

## FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Board members are provided with a familiarization pack that is handed over to the new induct to enable them to familiarize with the Company's procedures and practices. Updates on relevant statutory changes and on the business and operations of the Company on a continuous basis are regularly circulated to the Directors. Site visits to plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at: [www.prakashwoollen.com](http://www.prakashwoollen.com) <http://prakashwoollen.com/?q=node/425>

## CODE OF CONDUCT

The Company has in place Code of Conduct (the Code) applicable to all the Directors & Senior Management Personnel. The Code is applicable to Directors & Senior Management to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

The Company has also in place a separate code for Independent Directors. It helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

These Codes has been put on the Company's website ([www.prakashwoollen.com](http://www.prakashwoollen.com)) at the link

<http://www.prakashwoollen.com/Code%20of%20Conduct%20For%20Directors%20%26%20Senior%20Management>.

The Codes have been circulated to Directors and Management Personnel, and there compliances are affirmed by them annually.

## ANNUAL DECLARATION BY THE MANAGING DIRECTOR

A declaration signed by the Company's CFO and Managing Director is enclosed with this Report.

## BOARD COMMITTEES

The Board of directors have constituted required committees (as required under companies act and SEBI LODR) to deal with the specific areas and activities which concern the company and need a closer review. The Board Committees function under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for their noting.

Details of the Board Committees and other related information are provided hereunder:

### A. AUDIT COMMITTEE

#### Composition

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 an Audit Committee comprising of three Independent Directors namely Mr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mrs. Sushma Pandey had been constituted to perform all such powers and functions as were required to be performed under the said provisions.

Consequent to the death of Mrs. Sushma Pandey Mr. Mahendra Kumar Agrawal was inducted as member w.e.f. 29.6.2020 so the Audit Committee was reconstituted on 29<sup>th</sup> June, 2020 and consists of three non-executive Independent Directors namely Mr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mr. Mahendra Kumar Agrawal.

The Company has complied with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as regard to the composition of the Audit Committee of the company.

#### Meetings & Attendance

The Audit Committee met **four (4) times** during the year ended 31<sup>st</sup> March, 2021 i.e. on 29<sup>th</sup> June 2020, 21<sup>st</sup> August 2020, 09<sup>th</sup> November, 2020, 09<sup>th</sup> February 2021. The intervening period between two meetings was well within the maximum time gap 120 days as prescribed under Listing Regulations. The constitution of Audit Committee and attendance of each member is as given below:

Name of Member	Designation	No. of Meeting attended
Dr. Satish Kumar Raj *	Chairman	Four
^Mr. Mahendra Kumar Agrawal	Member	Three
Mr. Pramod Kumar Agarwal	Member	Two
Mrs. Sushma Pandey+	Member	One

The Company Secretary acts as Secretary to the Committee.

\* Dr. Satish Kumar Raj, who acted as Chairman of the Audit Committee Meetings was present at the Last Annual General Meeting of the Company held on 24<sup>th</sup> September, 2020 to answer the shareholders' queries.

+ Mrs. Sushma Pandey ceased to be member due to death

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<sup>^</sup> Mr. Mahendra Kumar Agrawal appointed w.e.f. 29.06.2020 as the member of the Committee.

## Terms of Reference

### Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Role of Audit Committee

The role of the Audit Committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



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## Reviewing the following information:

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

## B. NOMINATION AND REMUNERATION COMMITTEE

The composition of Nomination & Remuneration Committee is as per Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Terms of References:

The terms of references of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of Directors their appointment and/or removal;
2. To carry out evaluation of every Director's performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees such that its policies ensure that –
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
4. To formulate the criteria for evaluation of Independent Directors and the Board of Directors;
5. To recommend to the Board of Directors whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. To devise a policy on the diversity of the Board of Directors;
7. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
8. To carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
9. To administration and superintendence the employee stock option scheme or employees benefit schemes as approved by Board of Directors of the Company; and
10. To formulate the detailed terms and conditions of such schemes, frame suitable policies and procedures to ensure that there is no violation of applicable laws.

### Composition of the Committee, Meetings and Attendance

The Nomination and Remuneration Committee comprising of three Independent Directors namely Mr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mrs. Sushma Pandey.

Due to death of Mrs. Sushma Pandey has Mr. Mahendra Kumar Agrawal appointed as member w.e.f. 29.6.2020 so the Nomination and Remuneration Committee was reconstituted on 29<sup>th</sup> June, 2020 and consists of three non-executive Independent Directors namely Mr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mr. Mahendra Kumar Agrawal. On 07.05.2021 the chairman of NRC was changed from Satish Kumar raj to Mahendra Kumar Agrawal because Dr. Satish Kumar Raj was elected as the chairman of the Board so he cannot be the chairperson of NRC Committee.

The Nomination and Remuneration Committee members met **One (1) times** during the financial year ended 31<sup>st</sup> March, 2021 i.e. on **15<sup>th</sup> June, 2020** to take note and recommend to Board the appointment of Mr. Adeep Gupta as an Additional Director and as Whole Time Director, to recommend the re-designation of Mr. Daya Kishan Gupta from Whole-Time Director to Managing Director.

Evaluation of Director's Performance has been done pursuant to section 178(2) of the Companies Act, 2013. The Constitution of Committee and attendance of each member is as given below:

Name of Member	Designation	No. of Meeting attended
Dr. Satish Kumar Raj *	Chairman	1
Mr. Mahendra Kumar Agrawal	Member	0
Dr. Sushma Pandey	Member	1
Mr. Pramod Kumar Agarwal	Member	0

+Mrs. Sushma Pandey has been replaced by Mr. Mahendra Kumar Agrawal as the member of the Committee.

\* Chairmanship of NRC was replaced by Mr. Mahendra Kumar Agrawal as on 07.05.2021.



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The function of the Nomination and Remuneration Committee includes recommendation of appointment of Whole-time Director(s)/ Managing Director/Joint Managing Director and recommendation to the Board of their remuneration.

The Company has complied with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as regard to the composition of the Nomination and Remuneration Committee.

### Performance Evaluation of the Board, Committees and Directors

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts a Performance Evaluation every year in respect of the following:

- i. Board of Directors as a whole
- ii. Committees of the Board of Directors
- iii. Individual Directors including the Chairman of the Board of Directors.

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by SEBI in January 2017, Performance Evaluation was carried out for the Board / Committees / Directors of your Company for the financial year ended March 31, 2021.

The key objectives of conducting the Board Evaluation were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in Board Meetings and contribute to achieve the common business goal of the Company.

The Directors carry out the aforesaid Performance Evaluation in a confidential manner and provide their feedback on a rating scale of 1-5. Duly completed formats were sent to the Chairman of the Board and the Chairman / Chairperson of the respective Committees of the Board for their consideration. The Performance Evaluation feedback of the Chairman was sent to the Chairperson of the Nomination and Remuneration Committee.

Outcome of such Performance Evaluation exercise was tabled at the separate Meeting of the Independent Directors held on March 18, 2021.

The Nomination and Remuneration Committee forwarded their recommendation based on such Performance Evaluation to the Board of Directors and the same was tabled at the Board Meeting held on 09<sup>th</sup> February, 2021. All the criteria of Evaluation as envisaged in the SEBI Circular of Guidance Note on Board Evaluation had been adhered to by your Company. Based on the aforesaid Performance Evaluation, your Board decided to continue the terms of appointment of the Chairman, the Independent Directors, the Executive Directors and the Non-Executive Directors.

### REMUNERATION TO DIRECTORS

#### Nomination and Remuneration Policy

In compliance with the requirements of Section 178 of the Companies Act, 2013, Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board of Directors of the Company has a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel, Functional Heads and other employees of the Company. The Policy provides for criteria and qualifications for appointment of Director, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs), remuneration to them, Board diversity etc.

The company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. Nomination and Remuneration policy is available at the Company's Website on the link : <http://prakashwoollen.com/sites/default/files/Policy%20On%20Nomination%20%26%20Remuneration%20Committee.pdf>

#### Remuneration paid to the Executive Directors:

The details of Remuneration paid to the Chairman and Managing Director and Whole-Time Directors for the financial year 2020-2021 is given below:

Name	Salary	Commission on profits	Total Amt. in Rs.
Mr. Vijay Kumar Gupta	63,00,000	NIL	63,00,000
Mr. Daya Kishan Gupta	63,00,000	NIL	63,00,000
Late Mr. Jai Kishan Gupta	12,00,000	NIL	12,00,000
Mr. Adeep Gupta	47,66,666	NIL	47,66,666

The tenure of office of the Managing Director is for 3 Years and Whole-time Directors is for five years from their respective dates of appointments.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### Remuneration paid to the Non-Executive Directors:

Sitting fee and commission on net profit paid to Non-Executive Directors during the financial year ended 31<sup>st</sup> March, 2021 is as under:

Name of the Non-Executive Director	Sitting Fee	Commission	Total Amt. in Rs.
Mr. P.K. Agarwal	17,500	NIL	17,500
Mr. Ved Prakash Gupta	5,000	NIL	5,000
Mr. M.K. Agarwal	32,500	NIL	32,500
Dr. S.K. Raj	42,500	NIL	42,500
Ms. Sushma Pandey	15,000	NIL	15,000

### Equity Shares held by the Directors

Except as stated hereunder, none of the directors, held any shares in the Company as on March 31, 2021:

Name of the Director	No. of Shares Held	% of Shareholding
Mr. Vijay Kumar Gupta	453709	4.42%
Mr. Daya Kishan Gupta	170910	1.67%
Late Mr. Jai Kishan Gupta	0	-
Mr. Adeep Gupta	450820	4.39%
Mr. Ved Prakash Gupta	176393	1.72%
Mr. Pramod Kumar Agarwal	200	0.002%
Dr. Satish Kumar Raj	900	0.01%
Late Mrs. Sushma Pandey	2300	0.02%

The Company does not have any Stock Option Scheme for its employees.

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted as per Section 178 and Regulation 20 of the SEBI (LODR), 2015. Pursuant to the Companies Act, 2013 and the Listing Regulations, the Company has a Stakeholders Relationship Committee. The Committee looks into the grievances of security holders including debenture holders and fixed deposit holders in addition to the equity shareholders of the Company.

The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

The Stakeholders Relationship Committee comprising of three Independent Directors namely Mr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mrs. Sushma Pandey.

Mrs. Sushma Pandey has been replaced by Mr. Mahendra Kumar Agrawal w.e.f. 29.06.2020 so the Stakeholders Relationship Committee was reconstituted on 15<sup>th</sup> June, 2020 and consists of three non-executive Independent Directors namely Mr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mr. Mahendra Kumar Agrawal.

The Board has delegated the power of approving transfer of securities to the Registrar & Share Transfer of the Company.

The Committee met **One (1) time** during the financial year ended 31<sup>st</sup> March, 2021, i.e. on 02<sup>nd</sup> March 2021. The Constitution of the Committee and attendance of each member is as given below.

Name of Member	Designation	No. of Meeting attended
Dr. Satish Kumar Raj*	Chairman	One
Mr. Pramod Kumar Agarwal	Member	Nil
Ms. Sushma Pandey+	Member	Nil
Mr. Mahendra Kumar Agrawal	Member	One

\* Dr. Satish Kumar Raj, Chairman of the Stakeholder Relationship Committee, was present at the Annual General Meeting of the Company held on 24<sup>th</sup> September, 2020 to answer members' queries.

+ Mrs. Sushma Pandey has been replaced by Mr. Mahendra Kumar Agrawal as the member of the Committee.

### Board Membership Criteria and list of core skills / expertise / competencies identified in the context of the business:

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company and its status as a listed Company;

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:

SKILLS AND ITS DESCRIPTION	LATE JKG	VKG	DKG	ADEEP	VPG	MK	SK	PK	Sushma Pandey
<b>Leadership experience of running large enterprise</b> –Experience in leading well-governed large organizations, with an understanding of organizational systems and processes complex business and regulatory environment, strategic planning and risk management, and management of accountability and performance	✓	✓	✓	✓			✓		
<b>Experience of crafting Business Strategies</b> –Experience in developing long-term strategies to grow customer, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.	✓	✓	✓	✓	✓			✓	✓
<b>Understanding of Customer Insights in diverse environments and conditions</b> –Experience of having managed organizations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.	✓		✓	✓	✓	✓		✓	✓
<b>Finance and Accounting Experience</b> –Leadership experience in handling financial management of a large organization along with an understanding of accounting and financial statements.		✓			✓	✓	✓		
<b>Understanding use of Digital / Information Technology</b> –Understanding the use of digital / Information Technology, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organization.	✓	✓	✓	✓	✓	✓	✓	✓	✓

- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mind-set.

### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Policy on Corporate Social Responsibility ('CSR') is constituted as per Section 135, read with Schedule VII of the Companies Act, 2013 and Rules made there under. The Corporate Social Responsibility (CSR) Committee comprises three Non- Executive Independent Directors namely Dr. Satish Kumar Raj (Chairman), Mr. Pramod Kumar Agarwal and Mr. Mahendra Kumar Agrawal as other members.

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the areas of CSR. During the financial year ended 31st March, 2021, the Committee had recommended to the Board to approve the amendments to its CSR Policy to include the initiatives as per Schedule VII of Companies Act, 2013. During the financial year ended 31st March, 2021, the committee met once on 21<sup>st</sup> August, 2020.

The Committee met **One (1) time** during the financial year ended 31<sup>st</sup> March, 2021, i.e. on 21<sup>st</sup> August, 2020. The Constitution of the Committee and attendance of each member is as given below.

Name of Member	Designation	No. of Meeting attended
Dr. Satish Kumar Raj*	Chairman	One
Mr. Pramod Kumar Agarwal	Member	One
Mr. Mahendra Kumar Agrawal	Member	One

\* Dr. Satish Kumar Raj, Chairman of the Stakeholder Relationship Committee, was present at the Annual General Meeting of the Company held on 24<sup>th</sup> September, 2020 to answer members' queries.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### Compliance Officer

Ms. Ruchi Gupta, Company Secretary & Compliance Officer w.e.f. 12<sup>th</sup> June 2018 and is complying with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015.

### Complaints from Investors

In compliance with the requirements of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User ID and Password for processing the investor complaints in a centralized web based SEBI Complaints Redress System - 'SCORES'. This enables the investors to view online the action taken by the Company on their complaints and current status thereof, by logging on to the SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in). No shareholder's complaint was lying unresolved as on March 31, 2021 under 'SCORES'.

It is confirmed that there was no request for registration of share transfers / transmissions lying pending as on March 31, 2021 and that all requests for issue of new certificates, sub-division or consolidation of shareholdings, etc., received up to March 31, 2021 have since been processed. The Company has an efficient system in place to record and process all requests for dematerialization and re-materialization of shares in the Company through National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL).

### Nature of complaints received and resolved during the financial year ended on March 31, 2021:

No. of complaints pending at the beginning of the year	Nil
No. of complaints received by correspondence during the year ended 31.03.2021	Nil
No. of complaints received for Refund / Instrument correction during the year	Nil
No. of complaints received from BSE during the year	Nil
No. of complaints received from SEBI during the year	Nil
No. of complaints resolved / replied during the year	Nil
No. of Investors complaints pending at the ending of the year 31.03.2021	Nil

We confirm that No complaints remained unattended / pending for more than 30 days.

There were no share transfers pending for registration for more than 15 days as on the said date.

### General Body Meetings

#### Annual General Meetings (AGM)

Year	Date, Time & Venue	Matters for Special Resolution passed
41 <sup>st</sup> AGM 2019-20	24.09.2020 11:00 AM Registered Office	<ol style="list-style-type: none"> <li>1. Re-designation of Mr. Daya Kishan Gupta (DIN: 00337569) as Managing Director as on 15th June, 2020.</li> <li>2. Appointment of Mr. Adeep Gupta (DIN: 06612645) as a Director of the Company.</li> <li>3. Appointment of Mr. Adeep Gupta (DIN: 06612645) As a Whole Time Director.</li> </ol>
40 <sup>th</sup> AGM 2018-19	31.08.2019 11:00 A.M. Registered Office	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Jai Kishan Gupta as a Director.</li> <li>2. Appointment of Mr. Jai Kishan Gupta as Managing Director.</li> <li>3. Re-appointment of Mr. Vijay Kumar Gupta as Whole Time Director.</li> <li>4. Appointment of Mr. Daya Kishan Gupta as a Director.</li> <li>5. Appointment of Mr. Daya Kishan Gupta as Whole Time Director.</li> <li>6. Appointment of Mr. Ved Prakash Gupta as Non- Executive Director.</li> <li>7. Re-appointment of Mr. Pramod Kumar Agarwal as a Non- Executive Independent Director.</li> <li>8. Re-appointment of Mr. Satish Kumar Raj as a Non- Executive Independent Director.</li> <li>9. Appointment of Mr. Mahendra Kumar Agrawal as a Non- Executive Independent Director.</li> <li>10. Authorization u/s 180 (1) (a) of Companies Act, 2013 to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company.</li> </ol>
39 <sup>th</sup> AGM 2017-18	22.09.2018 10:30 AM Registered Office	<ol style="list-style-type: none"> <li>1. Re-appointment of Mrs. Sushma Pandey as independent director.</li> </ol>

No business was transacted through Postal Ballot during the period under review.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## Means of Communication

**Financial Results:** Prior intimation of Board Meeting where to consider and approve Unaudited/ Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company at [www.prakashwoollen.com](http://www.prakashwoollen.com). The aforesaid Financial Results are immediately intimated to the Stock Exchanges, after the same are approved at Board Meeting. The Annual Audited Financial Statements are not posted to every Member of the Company. In terms of Regulation 10 of the Listing Regulations, the Company complies with the online filing requirements on electronic platforms of BSE Limited (BSE) viz. BSE Corporate Listing Centre.

**Newspapers:** The Financial Results of the Company are published in prominent daily Newspapers, viz. "Pioneer", New Delhi (English) and Hindustan, Moradabad (Hindi)

**Website:** The website of the Company [www.prakashwoollen.com](http://www.prakashwoollen.com) contains a dedicated section "Investor Relation" which contains details / information of interest to various stakeholders, including Financial Results, Shareholding Pattern, Press Releases, Company Policies, etc. The shareholders / investors can view the details of electronic filings done by the Company on the respective websites of BSE Limited i.e., [www.bseindia.com](http://www.bseindia.com)

**Press / News releases:** No Official press releases except Advertisement on newspaper of Financial Results of the Company are sent to the Stock Exchanges during the financial year 20-21.

**Presentations to institutional investors / analysts:** All price sensitive information is promptly intimated to the Stock Exchanges before releasing to the Media, other stakeholders and uploading on Company Website.

## RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The Board of Directors of the Company has adopted a Related Party Transaction Policy, pursuant to the requirements of Section 188 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the Listing Regulations.

The said Related Party Transaction Policy is available on the website of the Company [www.prakashwoollen.com](http://www.prakashwoollen.com) at the link

<http://prakashwoollen.com/sites/default/files/Policy%20On%20Related%20Party%20Transaction.pdf>

The above policy is subject to change from time to time. The policy meets the requirements of the SEBI Listing Regulations, 2015.

Your Company does not have any contracts or arrangements with its related parties under Section 188(1) of the Companies Act, 2013, which are not on arm's length basis or material in nature. Hence, there was nothing to disclose in Form AOC-2 as prescribed under the Companies Act, 2013 and the Rules framed thereunder.

## General Shareholders' Information

Scheduled AGM's

Day, Date, Time & Venue

18th KM, Stone, Delhi Moradabad Road, NH-24,  
Village Amhera, Distt. J.P. Nagar-244102

Tentative Financial Year 2020-2021

## 42<sup>nd</sup> ANNUAL GENERAL MEETING

18<sup>th</sup> September, 2021, Saturday, 11:45 A.M.

Financial reporting for the quarter ending 30<sup>th</sup> June, 2021:

**By August 2021**

Financial reporting for the half year ending 30<sup>th</sup> September 2021:

**By November 2021**

Financial reporting for the quarter ending 31<sup>st</sup> December, 2021:

**By February 2022**

Financial reporting for the year ending 31<sup>st</sup> March, 2022:

**By May 2022 for AFR**

Dividend

In order to meet the additional working capital requirement of the Company, No Dividend has been declared.

Registered Office

18<sup>th</sup> KM, Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt.  
J.P. Nagar-244102 Ph. No.: 0591-2223008/18;  
Fax: 0591-2223009 Email id: [info@prakashwoollen.com](mailto:info@prakashwoollen.com)

Listing of Equity Shares on Stock Exchanges and  
Payment of Listing Fee

BSE Limited, Annual Listing fee for the year 2020-21, has been paid by the Company to the Stock Exchange.

Registrar & Transfers Agents

Skyline Financial Services (P) Limited, D-153 A, 1<sup>st</sup> Floor, Okhla, Indl. Area,  
Phase-I, New Delhi-110024 Ph. No.: 01126812682/83  
Fax: 011-30857562 Email id: [admin@skylinerta.com](mailto:admin@skylinerta.com)  
Mr. Virender Rana, Vice President

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Share Transfer System

Share Transfer in physical form can be lodged with Skyline Financial Services Limited, at abovementioned address or at Registered office of the Company

ISIN for Equity SharesScrip Code

INE523I01016BSE '531437'

Credit Rating

Not Applicable

## STOCK MARKET DATA

### A) YOUR COMPANY

MONTHS	HIGH	LOW
Apr 20	22.85	15.05
May 20	18.45	14.50
Jun 20	21.75	18.40
Jul 20	20.45	17.55
Aug 20	22.00	18.95
Sep 20	54.45	18.00
Oct 20	19.00	17.25
Nov 20	21.70	17.90
Dec 20	27.00	18.55
Jan 21	27.85	22.00
Feb 21	27.05	20.30
Mar 21	28.25	19.00

### B) SENSEX

MONTHS	HIGH	LOW
Apr 20	33,887.25	27,500.79
May 20	32,845.48	29,968.45
Jun 20	35,706.55	32,348.10
Jul 20	38,617.03	34,927.20
Aug 20	40,010.17	36,911.23
Sep 20	39,359.51	36,495.98
Oct 20	41,058.05	38,410.20
Nov 20	44,825.37	39,334.92
Dec 20	47,896.97	44,118.10
Jan 21	50,184.01	46,160.46
Feb 21	52,516.76	46,433.65
Mar 21	51,821.84	48,236.35

### (C) Your Company V/s Sensex





## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

	CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
(A)	<b>Shareholding of Promoter and Promoter Group</b>		
	<b>1 Indian</b>		
	(a) Individuals/Hindu Undivided Family	6607520	64.40
	(b) Bodies Corporate	0	0
	<b>Sub Total (A)(1)</b>	6607520	64.40
	<b>2 Foreign</b>	NIL	NIL
	<b>Sub Total (A)(2)</b>	NIL	NIL
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>6607520</b>	<b>64.40</b>
(B)	<b>Public Shareholding</b>		
	<b>1 Institutions</b>		
	(a) Mutual Funds/ UTI	13400	0.13
	(b) Financial Institutions / Banks	120000	1.17
	<b>Sub Total (A)(1)</b>	<b>133400</b>	<b>1.30</b>
	<b>2 Non-Institutions</b>		
	(a) Bodies Corporate	453970	4.42
	(b) Individuals		
	i. Individual shareholders holding nominal share capital up to Rs. 2 Lakh	1197361	11.67
	Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	1568371	15.29
	(c) Other	2092	0.02
	i. Non Resident Indians	35628	0.35
	ii. Hindu Undivided Family	261408	2.55
	<b>Sub Total (B)(2)</b>	<b>3518830</b>	<b>34.30</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3652230</b>	<b>35.60</b>
	<b>TOTAL (A)+ (B)</b>	<b>10259750</b>	<b>100.00</b>
(C)	Shares held by Custodians and against which depository Receipts have been issued	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>10259750</b>	<b>100.00</b>

### Distribution of Shareholding

Shareholding Range	No. of Shareholders	%	Shares	%
<b>UP TO 5000</b>	698	57.26	1266750	1.23
<b>5001 - 10000</b>	185	15.18	16642600	16.22
<b>10001 - 20000</b>	77	6.32	1227310	1.20
<b>20001 - 30000</b>	76	6.23	1986280	1.94
<b>30001 - 40000</b>	33	2.71	1141230	1.11
<b>40001 - 50000</b>	15	1.23	717690	0.70
<b>50001 - 100000</b>	40	3.28	3076460	3.00
<b>100000 &amp; ABOVE</b>	95	7.79	91517520	89.20
<b>TOTAL</b>	<b>1219</b>	<b>100</b>	<b>102597500</b>	<b>100</b>

### Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on Equity

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments as on March 31, 2021.

### Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any commodity risk. Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to the Board Members. These procedures are periodically reviewed to ensure that the management controls risk through means of a properly defined framework.

### Dematerialization of shares and liquidity

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the company has enlisted its shares with National Securities Depository Limited (NSDL) & Central Depository Services (India) Ltd. (CDSL).

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

The status of dematerialization of shares as on 31st March, 2021 is as under:

Particulars	No. of shares	% of total share capital
Held in dematerialization form	9454483	92.15%

## Reconciliation of Share Capital Audit Report

The Company has appointed M/s R. S. Bhatia, Practising Company Secretary, to conduct Reconciliation of Share Capital Audit of the Company for the Financial Year ended 31<sup>st</sup> March 2021, who has submitted his Quarterly reports confirming that there is no discrepancy.

## Compliance Certificate of the Auditors

The Statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as referred to in Regulation 15(2) as stipulated in Para E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the same is annexed to the Directors' Report and Management Discussion and Analysis.

The Certificate from Statutory Auditors is attached with the Annual Report of the Company.

## Plants and Units Locations

**J. P. Nagar Works:** 18th KM Stone,  
Delhi-Moradabad Road, NH-24, Village Amhera,  
Distt. J. P. Nagar-244102

**Moradabad Works:** Village-Mangupura,  
P.O. Pakwara, Pakawara, Moradabad-244001

## Address for Correspondence

(a) **Investor Correspondence:** For any query relation to the shares of the Company.

### For Shares held in Physical Form:

Skyline Financial Services Pvt. Ltd.  
D-153 A, 1<sup>st</sup> Floor, Okhla, Area, Phase-I Industrial Area, New Delhi-110024  
Tel.: 011-26812682-83,  
Fax: 011-30857562  
Email: [admin@skylinert.com](mailto:admin@skylinert.com)

### For Shares held in Demat Form

To the Investors' Depository participant(s) and / or Skyline Financial Services Pvt. Ltd. at the above address

(b) **For grievance redressal and any query on Annual Report**

Secretarial Department  
Prakash Woollen & Synthetic Mills Limited  
18th KM Stone, Delhi-Moradabad Road,  
NH-24, Village Amhera, Distt. J. P. Nagar-244102 Email: [investor@prakashwoollen.com](mailto:investor@prakashwoollen.com)

## OTHER DISCLOSURES

a) **Disclosure on materially significant related party transactions:**

There were no materially significant transactions which were in conflict with the interest of the Company. The said policy is put on website of the Company [www.prakashwoollen.com](http://www.prakashwoollen.com).

b) **Disclosure of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years:**

All mandatory requirement as per Listing Regulations have been complied with by the Company. There were no restriction and penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market during the year under review.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and there is no statutory audit qualification in this regard.

c) **Policy for determining material subsidiary:**

At present there is no material subsidiary of company however the details of the policy on determining "Material Subsidiaries" is available on <http://www.prakashwoollen.com/sites/default/files/Policy%20for%20Determination%20of%20material%20subsidiary.pdf>

d) **Disclosures with respect to demat suspense account/unclaimed suspense account:**

The Company does not have any shares in the demat suspense/unclaimed suspense account.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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### e) Vigil Mechanism/ Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy as required under the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee who avail of the mechanism and provides for direct access to the Audit Committee in exceptional cases.

During the year under review, no employee was denied access to the Audit Committee.

### f) Details of Mandatory and Non-Mandatory Corporate Governance Requirements

The Quarterly / Yearly Reports on compliance of Corporate Governance in the prescribed format have been submitted to the Stock Exchanges where the Shares of the Company are listed within the stipulated time. The Company has complied with all mandatory requirements to the extent applicable to the Company.

The Company has not adopted any non-mandatory requirements of Listing Regulations.

### g) Discretionary Corporate Governance Requirements

In terms of Regulation 27(1) of the Listing Regulations read with Schedule II to the said Regulations, the disclosure on account of the extent to which the discretionary requirements as specified in Part E of Schedule II are given below:

- (i) The Chairman does not maintain any office at the expense of the Company;
- (ii) In view of publication of the Financial Results of the Company in newspapers and disseminating the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly Results separately to the Shareholders;
- (iii) The Company's Financial Statements have been accompanied with unmodified audit opinion - both on quarterly and yearly basis and also on standalone basis;
- (iv) The Chairman and the Managing Director of the Company is same;

### (h) Communication to Shareholders

Half-yearly reports & quarterly reports covering financial results in the prescribed format have been submitted to the Stock Exchanges where the Shares of the Company are listed within the stipulated time & Company's Website for the access of shareholders.

<b>Place:</b> Village Amhera (J. P. Nagar)	<b>Sd/-</b> <b>(Daya Kishan Gupta)</b> <b>Managing Director</b>	<b>Sd/-</b> <b>(Vijay Kumar Gupta)</b> <b>CFO &amp; Whole Time Director</b>
<b>Date:</b> 24 <sup>th</sup> June, 2021	<b>DIN: 00337569</b>	<b>DIN: 00335325</b>

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### CFO & MD Certification

The Chief Financial Officer of the Company gives annual certification on financial reporting, internal reporting and internal controls to the Board in terms of Regulation 17(8) 26(3) and Para D of Schedule V of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015. The Chief Financial Officer also gives quarterly certification on financial results before the Board in terms of Regulation 33(2) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015. The annual Certificate given by the Chief Financial Officer is published in this Report.

### Certificate on Compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the code of Business Conduct and Ethics for Directors/ Senior Management Personnel and there is no noncompliance thereof during the year ended 31<sup>st</sup> March, 2021.

<b>Date :</b> 24 <sup>th</sup> June, 2021	<b>Sd/-</b>
<b>Place :</b> Village Amreha (J.P. Nagar)	<b>(Vijay Kumar Gupta)</b>
	<b>Whole Time Director &amp; CFO</b>
	<b>DIN No. : 00335325</b>

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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## MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,  
The Board of Directors  
Prakash Woollen & Synthetic Mills Limited

I, Vijay Kumar Gupta, Whole Time Director & (CFO), to the best my knowledge and belief certify that:

- A. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of my knowledge and belief, I state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (ii) 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 financial year ended March 31, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting . I have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. I have indicated to the Auditors and the Audit Committee that:
- (i) There has not been any significant changes in internal control over financial reporting during the financial year ended March 31, 2021;
  - (ii) There has not been significant changes in accounting policies during the financial year ended March 31, 2021, except to the extent, if any, disclosed in the notes to the financial statements; and
  - (iii) We have not become aware of any significant fraud or involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: **24<sup>th</sup> June, 2021**  
Place: Village Amhera (J.P.Nagar)

Sd/-  
(Vijay Kumar Gupta)  
Whole Time Director & CFO  
DIN: 00335325

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

### The Members of Prakash Woollen & Synthetic Mills Limited

1. We have examined the compliance of conditions of corporate governance by **Prakash Woollen & Synthetic Mills Limited** (the 'Company') for the year ended 31 March 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.

We 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.

### Restriction on use

7. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For A. Anand & Co.  
Chartered Accountants  
Firm's registration number: 005147C

(AJAYANAND)  
(Partner)  
Membership No.074016

Place : Village Amhera (Amroha)  
Date : 24.06.2021

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of**

Prakash Woollen & Synthetic Mills Limited  
18th Km. Stone, Delhi Moradabad road, NH-24,  
Village Amhera, Distt JP Nagar, Uttar Pradesh-244102

I have been examined the relevant registers, records, forms, returns and disclosures received from the Directors of Prakash Woollen & Synthetic Mills Limited having CIN L17291UP1979PLC004804 and having registered office at 18th Km. Stone, Delhi Moradabad road, NH-24, Village Amhera, Distt JP Nagar, Uttar Pradesh-244102 (hereinafter referred to as 'the Company'), produced before me by the company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of appointment in Company	Cessation
1	Late Mr. Jai Kishan Gupta	00337659	23.08.1979	02.06.2020
2	Mr. Vijay Kumar Gupta	00335325	23.08.1979	-
3	Mr. Daya Kishan Gupta	00337569	23.08.1979	-
4	Mr. Ved Prakash Gupta	00434369	23.08.1979	-
5	Mr. Satish Kumar Raj	00852221	31.03.2003	-
6	Late Mrs. Sushma Pandey	07022749	12.02.2015	16.02.2021
7	Mr. Mahendra Kumar Agrawal	02225421	30.06.2008	-
8	Mr. Pramod Kumar Agarwal	05248122	07.11.2012	-
9	Mr. Adeep Gupta	06612645	15.06.2020	-

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 13.8.2021

R. S. Bhatia  
Practicing Company Secretary  
CP No: 2514  
UDIN No.:- F002599C000783533



## AUDITORS' REPORT

To the Members of Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited)

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Prakash Woollen & Synthetic Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matter or when, in extremely circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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- e) On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **A. Anand & Co.**  
Chartered Accountants  
Firm's registration number: 005147C

**(AJAY ANAND)**  
(Partner)  
Membership No. 074016

Place : Village Amhera (Amroha)  
Date : 24.06.2021

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## ANNEXURE A TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### ANNEXURE A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in a year. In accordance with the programme, property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The title deeds of all immovable properties (which are included under the Note 2A – Property, plant and equipment) are held in the name of the company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (iii) The company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantee and security.
- (v) In our opinion, the company has not accepted deposits from public within the meaning of sections 73 to 76 the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act for the products which company produces.
- (vii) (a) The Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income tax, sales tax, service tax or duty of customs or duty of excise which have not been deposited on account of any dispute except of value added tax amounting to Rs 20.58 lakh for the financial year 2016-17 out of which Rs 8 lakh have been paid, the appeal against which is pending before Additional Commissioner, Grade II(VAT) Appeals.
- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution or a bank. The Company did not have any outstanding loans or borrowings from government or dues to debenture holders during the year.
- (ix) The company did not raise moneys by way of initial public offer or further public offer. In our opinion, the moneys raised by the company by way of term loans were applied for the purposes for which those are raised.
- (x) No fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the company is not a nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Ind AS.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **A. Anand & Co.**  
Chartered Accountants  
Firm's registration number: 005147C

**(AJAY ANAND)**  
(Partner)  
Membership No. 074016

Place : Village Amhera (Amroha)  
Date : 24.06.2021

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## ANNEXURE B TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED, ON THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

### ANNEXURE B

#### Auditors Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited), ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A. Anand & Co.**  
Chartered Accountants  
Firm's registration number: 005147C

**(AJAY ANAND)**  
(Partner)

Place : Village Amhera (Amroha)  
Date : 24.06.2021

Membership No. 074016  
UDIN : 21074016AAAAABP5297

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

	Notes	As at 31.03.2021	₹ in lakhs As at 31.03.2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2A	4244.73	3928.10
(b) Capital work-in-progress	2B	64.16	75.49
(c) Financial assets			
(i) Other Financial assets	3	19.60	19.60
(d) Non Current Tax Assets (Net)			
(e) Other non-current assets	4	69.61	23.77
		<b>4398.10</b>	<b>4046.96</b>
<b>Current Assets</b>			
(a) Inventories	5	2070.68	1416.53
(b) Financial Assets			
(i) Investments	6	-	-
(ii) Trade receivables	7	560.74	1170.70
(iii) Cash and cash equivalents	8	19.73	22.47
(iv) Bank Balances other than Cash and cash equivalents	9	0.65	0.61
(v) Loans	10	10.45	28.09
(c) Current Tax Assets (Net)		5.11	7.09
(d) Other current assets	11	590.66	621.68
		<b>3258.02</b>	<b>3267.17</b>
<b>Total</b>		<b>7656.12</b>	<b>7314.13</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	12	1025.98	1025.98
(b) Other Equity	13	4180.74	3797.32
		<b>5206.72</b>	<b>4823.30</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	658.16	577.33
(b) Deferred tax liabilities (Net)	29	288.15	285.74
		<b>946.31</b>	<b>863.07</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	257.34	151.99
(ii) Trade payables	16	492.53	510.81
(iii) Other financial liabilities	17	200.97	562.09
(b) Other current liabilities	18	536.51	377.09
(c) Provisions	19	15.74	25.78
(d) Current Tax Liabilities (Net)		-	-
		<b>1503.09</b>	<b>1627.76</b>
<b>Total</b>		<b>7656.12</b>	<b>7314.13</b>
Summary of Significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

For and on behalf of the board of directors  
of **Prakash Woollen & Synthetic Mills Limited**

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

**V. K. GUPTA**  
CFO & Whole Time Director  
DIN -00335325

**D. K. GUPTA**  
Managing Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 24 June 2021

**RUCHI GUPTA**  
Company Secretary



# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2021

₹ in lakhs

	Notes	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from operations	20	9755.42	13256.55
Other income	21	68.18	50.59
<b>Total Income</b>		<b>9823.60</b>	<b>13307.14</b>
<b>Expenses</b>			
Cost of materials consumed	22	6915.23	8774.65
Purchases of Stock-in-Trade	24	6.40	185.14
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	23	(435.01)	618.47
Employee benefit expense	25	828.06	892.53
Finance costs	26	99.97	181.39
Depreciation and amortization expense	27	422.23	429.11
Other expenses	28	1491.21	1691.27
<b>Total expenses</b>		<b>9328.09</b>	<b>12772.56</b>
<b>Profit Before Exceptional Items &amp; Tax</b>		<b>495.51</b>	<b>534.58</b>
Exceptional items		-	470.78
<b>Profit before tax</b>		<b>495.51</b>	<b>1005.36</b>
<b>Tax expense</b>	29		
Current tax		(119.92)	(175.66)
Deferred tax charge / (credit)		(0.08)	(20.18)
Tax in respect of earlier years		1.85	(3.95)
<b>Profit (Loss) for the year from continuing operation</b>		<b>377.36</b>	<b>805.57</b>
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		8.39	(11.14)
Income tax relating to above items		(2.33)	3.10
<b>Total Comprehensive Income for the year</b>		<b>383.42</b>	<b>797.53</b>
<b>Earnings per equity share of face value of ₹ 10 each (for continuing operation):</b>	38		
Basic		₹ 3.68	₹ 7.85
Diluted		₹ 3.68	₹ 7.85

Summary of Significant accounting policies

1

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

For and on behalf of the board of directors  
of **Prakash Woollen & Synthetic Mills Limited**

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

**V. K. GUPTA**  
CFO & Whole Time Director  
DIN -00335325

**D. K. GUPTA**  
Managing Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 24 June 2021

**RUCHI GUPTA**  
Company Secretary

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Year Ended 31.03.2021	Year Ended 31.03.2020
	₹ in lakhs	
<b>Cash Flow From Operating Activities</b>		
Net profit before tax from Continuing Operations	495.51	1,005.36
<b>Adjustment for</b>		
Depreciation	422.23	429.11
(Profit)/loss on sale of fixed assets	1.19	(462.79)
Finance cost	99.97	181.39
Interest/dividend	(61.18)	(45.66)
Remeasurement of net defined benefit plans	8.39	(11.14)
<b>Operating Profit Before Working Capital Changes</b>	<b>966.11</b>	<b>1,096.27</b>
<b>Adjustment For Movements In Working Capital</b>		
Increase/(decrease) in trade payables	(18.28)	(39.83)
Increase/(decrease) in short term provisions	(10.04)	8.93
Increase/(decrease) in other current liabilities	143.24	230.89
Increase/(decrease) in trade receivables.	609.96	(190.53)
Increase/(decrease) in inventory	(654.15)	715.03
Increase/(decrease) in in short term loans and advances	48.62	21.33
<b>Cash Generated From Operations</b>	<b>1,085.46</b>	<b>1,842.09</b>
Direct taxes paid	(116.10)	(174.56)
Cash flow before extraordinary items	<b>969.36</b>	<b>1,667.53</b>
<b>Extraordinary Items</b>	-	-
<b>Net cash from operation activities (A)</b>	<b>969.36</b>	<b>1,667.53</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(748.20)	(271.67)
Sale of fixes assets	19.49	633.75
Interest received	61.18	45.66
(Purchase)/sale of current investments	-	-
Capital/ Other advances	(45.84)	(7.95)
<b>Net Cash used in investing activities (B)</b>	<b>(713.37)</b>	<b>399.79</b>
<b>Cash Flow From Financing Activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowing	445.18	141.50
Repayment of long term borrowing	(700.99)	(813.45)
Proceeds for short term borrowing	105.35	(1,211.50)
Interest paid	(108.27)	(202.57)
<b>Net Cash used in financial activities ( C)</b>	<b>(258.73)</b>	<b>(2,086.02)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(2.74)</b>	<b>(18.70)</b>
<b>Cash and cash equivalent as at the beginning of the year</b>	<b>22.47</b>	<b>41.17</b>
<b>Cash and cash equivalent as at the end of the year</b>	<b>19.73</b>	<b>22.47</b>

Summary of significant accounting policies

1

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

For and on behalf of the board of directors  
of **Prakash Woollen & Synthetic Mills Limited**

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

**V. K. GUPTA**  
CFO & Whole Time Director  
DIN -00335325

**D. K. GUPTA**  
Managing Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 24 June 2021

**RUCHI GUPTA**  
Company Secretary

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2021

### A. Equity Share Capital

₹ in lakhs

Particulars	Notes	Amount
As at 1st April 2019	12	1,025.98
Changes in equity share capital		-
As at 31st March 2020	12	1,025.98
Changes in equity share capital		-
As at 31st March 2021		1,025.98

### B. Other Equity

₹ in lakhs

Particulars	Revaluation reserve	Reserve and surplus				Total
		Security premium reserve	Capital reserve	General Reserves	Retained Earnings	
Balance as at 1st April, 2019	132.69	488.19	10.00	4.17	2,370.09	3,005.14
Profit for the year	(5.35)				805.57	800.22
Other Comprehensive Income for the year					(8.04)	(8.04)
Total Comprehensive Income for the year					797.53	797.53
Balance as at 31st March, 2020	127.34	488.19	10.00	4.17	3,167.62	3,797.32
Balance as at 1st April, 2020	127.34	488.19	10.00	4.17	3,167.62	3,797.32
Profit for the year					377.36	377.36
Other Comprehensive Income for the year					6.06	6.06
Total Comprehensive Income for the year					383.42	383.42
Balance as at 31st March, 2021	127.34	488.19	10.00	4.17	3,551.04	4,180.74

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

For and on behalf of the board of directors  
of **Prakash Woollen & Synthetic Mills Limited**

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

**V. K. GUPTA**  
CFO & Whole Time Director  
DIN -00335325

**D. K. GUPTA**  
Managing Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 24 June 2021

**RUCHI GUPTA**  
Company Secretary

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## Note :- 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### I. Background

Prakash Woollen & Synthetic Mills Limited ('the Company') incorporated in India is a leading Indian Textile Company. The Company has its wide network of operations in domestic market. The Company sells its product through multiple channels including wholesale, retail and through agents etc.

### II. Significant Accounting Policies Followed By The Company

#### (a) Basis Of Preparation

##### (i) Compliance With Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

##### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following: 1) certain financial assets and liabilities that are measured at fair value; 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell; 3) defined benefit plans - plan assets measured at fair value;

##### (iii) Current / non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when:
  - ▶ It is expected to be settled in normal operating cycle
  - ▶ It is held primarily for the purpose of trading
  - ▶ It is due to be settled within twelve months after the reporting period, or
  - ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

##### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### (b) Use Of Estimates And Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### (c) Property, Plant And Equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost. Land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

## Depreciation Methods, Estimated Useful Lives And Residual Value

Depreciation on Buildings, Plant and Equipment, Furniture & fixtures, Vehicles and office equipments, is provided on a Straight Line Method over the estimated useful lives of assets. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act, except for (i) Solar power plant which based on an independent technical evaluation, life has been estimated as 25 years (on a single shift basis), (ii) parts of some items of property, plant and equipment that require replacement at regular intervals, which are different from that prescribed in Schedule II to the Act.

**Useful life considered for calculation of depreciation for various assets class are as follows-**

<u>Asset Class</u>	<u>Useful Life</u>
Building	30 years
Plant and Machinery (on single shift basis)	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Solar Power Plant	25 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of pre-owned assets, the useful life is estimated on a case to case basis. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### (d) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### (e) Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### (f) Investments And Other Financial Assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories: (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and (2) those measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

#### Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories: (

##### (1) Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

##### (2) Fair Value Through Profit And Loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

#### Equity Instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

## **(iii) Impairment Of Financial Assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## **(g) Impairment Of Non-Financial Assets**

The other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **(h) Non-Current Assets Held For Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

## **(i) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

## **(j) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

## **(k) Provisions And Contingent Liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

## **(l) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty. However, Value added tax/ Goods and Service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

### **Sale Of Goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.



## Rendering Of Services

Revenue from services is recognised in the accounting period in which the services are rendered..

## Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

## Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

## (m) Employee Benefits

### (i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### (ii) Other Long-Term Employee Benefit Obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

### (iii) Post-Employment Obligations

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The company operates defined benefits plan for gratuity for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the company recognises related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
  - ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
  - ▶ Net interest expense or income.

## (n) Foreign currency translation

### (i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### (ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

## (o) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for

all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### **(p) Earnings Per Share**

#### **Basic Earnings Per Share**

Basic earnings per share is calculated by dividing:- the profit attributable to owners of the Company- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### **Diluted Earnings Per Share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **(q) Government Grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

### **(r) Critical Estimates And Judgements**

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

Estimation of Defined benefit obligation - refer note 32

Estimation of current tax expenses and Payable - refer note 29

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## Notes to the Financial Statements for the year ended 31st March, 2021

### 2A Property, Plant and Equipment

₹ in lakhs

Particulars	Land	Building	Plant and Machinery	Furniture & fixture	Vehicle	Office equipment	Total
<b>Gross Carrying Amount</b>							
Deemed cost as at 1st April, 2019	566.45	1350.21	3518.44	15.86	237.42	9.15	5697.53
Additions	2.66	0.00	70.91	0.24	70.38	6.60	150.79
Disposals	6.17	143.08	1.86	0.00	104.61	0.00	255.72
Reclassification as held for sale							
<b>Balance as at 31st March, 2020</b>	<b>562.94</b>	<b>1207.13</b>	<b>3587.49</b>	<b>16.10</b>	<b>203.19</b>	<b>15.75</b>	<b>5592.60</b>
Additions	53.12	522.66	66.68	5.15	110.30	1.62	759.53
Disposals	0.00	0.00	27.35	0.00	21.92	0.00	49.27
Reclassification as held for sale							
<b>At 31 March 2021</b>	<b>616.06</b>	<b>1729.79</b>	<b>3626.82</b>	<b>21.25</b>	<b>291.57</b>	<b>17.37</b>	<b>6302.86</b>
<b>Accumulated Depreciation</b>							
At 1 April 2019	0.00	154.73	1107.68	6.80	84.50	6.48	1360.19
Charges for the year	0.00	50.84	338.39	2.22	33.83	3.83	429.11
Disposals	0.00	49.78	0.00	0.00	75.02	0.00	124.80
Reclassification as held for sale							
<b>At 31 March 2020</b>	<b>0.00</b>	<b>155.79</b>	<b>1446.07</b>	<b>9.02</b>	<b>43.31</b>	<b>10.31</b>	<b>1664.50</b>
Charges for the year	0.00	55.35	322.87	2.07	39.34	2.59	422.22
Disposals	0.00	0.00	25.98	0.00	2.61	0.00	28.59
Reclassification as held for sale							
<b>At 31 March 2021</b>	<b>0.00</b>	<b>211.14</b>	<b>1742.96</b>	<b>11.09</b>	<b>80.04</b>	<b>12.90</b>	<b>2058.13</b>
<b>Net carrying amount</b>							
Balance as at 1st April, 2019	566.45	1195.48	2410.76	9.06	152.92	2.67	4337.34
<b>Balance as at 31st March, 2020</b>	<b>562.94</b>	<b>1051.34</b>	<b>2141.42</b>	<b>7.08</b>	<b>159.88</b>	<b>5.44</b>	<b>3928.10</b>
<b>Balance as at 31st March, 2021</b>	<b>616.06</b>	<b>1518.65</b>	<b>1883.86</b>	<b>10.16</b>	<b>211.53</b>	<b>4.47</b>	<b>4244.73</b>

### 2B Capital Work in Progress

₹ in lakhs

31st March, 2020	75.49
31st March, 2021	64.16

### Capitalised Borrowing Costs:

The amount of borrowing costs capitalised during the year ended 31.03.2021 was ₹ Nil (31.03.2020: ₹ Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil (March 31, 2020: Nil %), which is the effective interest rate of the specific borrowing.

### Capital Work in progress:

Capital work in progress comprises expenditure for civil work and machinery under installation.

Total Amount of Capital Work In Progress is ₹ 64.16 lakh (31.03.2019: ₹ 75.49)

Refer Note 30 for information on Property, plant and equipment pledged as security by the Company.

### 3 Other Financial Assets

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposits	19.60	19.60
<b>Total</b>	<b>19.60</b>	<b>19.60</b>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

₹ in lakhs		
Particulars	As at 31.03.2021	As at 31.03.2020
<b>4 Other Non-Current Assets</b>		
Capital advances	46.16	15.76
Defined benefit plan (Gratuity)	15.44	-
Other advances	8.01	8.01
<b>Total</b>	<b>69.61</b>	<b>23.77</b>
<b>5 Inventories</b>		
Raw Material and components (at Cost)	855.60	642.07
Work-in-progress	636.20	341.68
Finished goods	533.61	365.83
Traded goods	24.23	51.52
Stores and Spares	21.04	15.43
<b>Total</b>	<b>2,070.68</b>	<b>1,416.53</b>
<b>6 Current Investments</b>		
<b>Investment in Mutual Funds</b>		
<b>Unquoted</b>	Nil	Nil
<b>At Fair Value through Profit and Loss</b>		
Nil	-	-
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>7 Trade Receivables And Other Assets</b>		
Trade receivables	560.74	1,170.70
Receivables from related parties	-	-
Less: Allowance for doubtful trade receivables	-	-
<b>Total receivables</b>	<b>560.74</b>	<b>1,170.70</b>
Current portion	560.74	1,170.70
Non-current portion	-	-
<b>Break-up of security details</b>		
Secured, considered good	-	-
Unsecured, considered good	560.74	1,170.70
Doubtful	-	-
<b>Total</b>	<b>560.74</b>	<b>1,170.70</b>
Allowance for doubtful trade receivables	-	-
<b>Total trade receivables</b>	<b>560.74</b>	<b>1,170.70</b>
No trade or other receivable are due from the directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
For terms and conditions relating to related party receivable, refer note 34 (Related Party Transactions) Trade receivables are non interest bearing and are generally on terms of 45-160 days. Refer note 36 for information about credit risk and market risk of trade receivables.		
<b>8 Cash And Cash Equivalents</b>		
Cash in hand	9.23	15.23
Balances with Banks - In current accounts	10.50	7.24
<b>Total</b>	<b>19.73</b>	<b>22.47</b>
<b>9 Bank Balances Other Than Cash And Cash Equivalents</b>		
Investments in Term deposits ( Refer Note below)	0.65	0.61
<b>Total</b>	<b>0.65</b>	<b>0.61</b>

Note: Held as lien by bank against bank guarantee amounting to ₹ 5.70 lakh.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31.03.2021	As at 31.03.2020
<b>10 Loans (Unsecured, Considered Good)</b>		
Loans to employees	10.45	28.09
<b>Total</b>	<b>10.45</b>	<b>28.09</b>

Refer Note 36 for information about credit risk and market risk for Loans.

<b>11 Other Current Assets</b>		
Interest Subsidy receivable (TUFS)	0.48	0.48
VAT advances	21.52	21.52
Advances to Suppliers	10.88	37.67
Prepaid expenses	0.27	0.09
Other advances	3.53	43.12
GST Input credit receivable	553.98	518.80
<b>Total</b>	<b>590.66</b>	<b>621.68</b>

<b>12 Equity Share Capital</b>		
<b>Authorised</b>		
1,20,00,000 equity shares of Rs. 10/- each	1,200.00	1,200.00
<b>Issued, subscribed and fully paid up</b>		
1,02,59,750 equity shares of Rs. 10/- each	1,025.98	1,025.98
<b>Total issued, subscribed and fully paid up share capital</b>	<b>1,025.98</b>	<b>1,025.98</b>

### a. Reconciliation Of The Shares Outstanding At The Beginning And End Of The Reporting Period

Equity shares	31.03.2021		31.03.2020	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
At the beginning of the period	102.598	1,025.98	102.598	1,025.98
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>102.598</b>	<b>1,025.98</b>	<b>102.598</b>	<b>1,025.98</b>

### b. Terms/Rights Attached To Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend declared, if any is payable in Indian rupees. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. Aggregate Number Of Bonus Shares Issued For Consideration Other Than Cash And Shares Bought Back During The Period Of Five Years Immediately Preceding The Reporting Date

Particulars	No. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Bonus shares	Nil	Nil
Shares issued for consideration other than cash	Nil	Nil
Shares bought back	Nil	Nil

### d. Details Of Shareholders Holding More Than 5% Shares In The Company

Particulars	31.03.2021		31.03.2020	
	Nos.	% holding in the class	Nos.	% holding in the class
Adeep Gupta HUF	668590	6.52	Nil	Nil

As per records of the company, including its register of shareholders/members and other declarations, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## 13 Other Equity

₹ in lakhs

Particulars	Revaluation reserve	Reserve and surplus				Total
		Security premium reserve	Capital reserve	General Reserves	Retained Earnings	
Balance as at 31st March, 2019	132.69	488.19	10.00	4.17	2,370.09	3,005.14
Profit for the year	(5.35)				805.57	800.22
Other Comprehensive Income for the year					(8.04)	(8.04)
Total Comprehensive Income for the year					797.53	797.53
Balance as at 31st March, 2020	127.34	488.19	10.00	4.17	3,167.62	3,797.32
Balance as at 1st April, 2020	127.34	488.19	10.00	4.17	3,167.62	3,797.32
Profit for the year					377.36	377.36
Other Comprehensive Income for the year					6.06	6.06
Total Comprehensive Income for the year					383.42	383.42
Balance as at 31st March, 2021	127.34	488.19	10.00	4.17	3,551.04	4,180.74

### Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

## 14 Non-Current Borrowings

₹ in lakhs

Particulars	Non Current Portion		Current Maturities	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Term Loans</b>				
State Bank of India TL (Secured)	208.18	467.51	-	120.00
State Bank of India TL (Secured)	-	-	-	169.89
State Bank of India Car Loan (Secured)	38.90	-	10.08	-
State Bank of India WCTL (Secured)	151.08	-	38.92	-
State Bank of India Corporate Loan(Secured)	-	-	-	95.75
Unsecured Loan (Deposits)	260.00	109.82	-	-
	<b>658.16</b>	<b>577.33</b>	<b>49.00</b>	<b>385.64</b>
<b>The above amount includes</b>				
Secured borrowings	398.16	467.51	49.00	385.64
Unsecured borrowings	260.00	109.82	-	-
Amount disclosed under the head other current liabilities	-	-	(49.00)	(385.64)
<b>Net amount</b>	<b>658.16</b>	<b>577.33</b>	<b>-</b>	<b>-</b>

### (a) TL

The term loan from State Bank of India has been sanctioned for ₹ 12 crore carrying interest @ 7.80 % p.a. as on balance sheet date(March 31, 2020: 9.30%). The loan is repayable in 36 monthly instalments of ₹ 10 lakh each, 48 monthly instalments of ₹ 17.50 lakh each starting from 30.04.2018. The loan is secured primarily by first charge on assets created under the term loan and equitable mortgage of factory land and building at village Mangupura, Moradabad and village Amhera, Delhi Road, Amroha.

### (b) TL

The term loan from State Bank of India had been sanctioned for ₹ 11 crore carrying interest @ 9.30 % p.a. as on last balance sheet date(March 31, 2020). The loan has been paid in full during the year. The loan was secured primarily by first charge on assets created under the term loan and equitable mortgage of factory land and building at village Mangupura, Moradabad and village Amhera, Delhi Road, Amroha.

### (c) Car Loans

The car loans from State Bank of India carried interest @ 7.50% p.a. as on balance sheet date and were secured by hypothecation of car. The loans is repayable in 60 monthly instalments.

### (d) WCTL

The working capital term loan from State Bank of India has been sanctioned for ₹ 2 crore carrying interest @ 7.40 % p.a. as on balance sheet date. The loan is repayable in 35 monthly instalments of ₹ 5.56 lakh each and last instalment of ₹ 5.40 lakh starting



## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

from September 2021. The loan is secured primarily by way of hypothecation of entire current assets/ documents evidencing title of goods ( including all inventory and receivables) both present and future of the company.

### (e) Corporate Loan

The corporate term loan from State Bank of India had been sanctioned for ₹ 5 crore carrying interest @ 9.30 % p.a. as on last balance sheet date( March 31, 2020). The loan has been paid in full during the year. The loan was secured primarily by way of hypothecation of entire current assets/ documents evidencing title of goods ( including all inventory and receivables) both present and future of the company.

All the loans from State Bank of India are further secured by exclusive charge by way of EM of the properties of the company and first charge on entire fixed assets (present and future) of the company, as collateral security. Further all the loans from State Bank Of India have been secured by the personal guarantees of whole time directors of the company namely Mr. D.K. Gupta, Mr. V.K. Gupta and Mr Adeep Gupta.

(f) The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in note 30.

(g) Deposits of ₹ 2.60 crore as unsecured loans from promoters under Bank's stipulation carrying interest @ 12% p.a.

₹ in lakhs		
Particulars	As at 31.03.2021	As at 31.03.2020
<b>15 Current Borrowings</b>		
(a) Loans repayable on demand from banks (Cash Credit from SBI)	257.34	151.99
Total	257.34	151.99

Cash credit from State Bank of India is primarily secured against inventories and trade receivables and further secured by exclusive charge by way of equitable mortgage of land and building of the company. Further, guarantees by whole time directors Mr. D.K. Gupta, Mr. V.K. Gupta and Mr Adeep Gupta have been given. The loan carries interest @ 9.30 % p.a. as on balance sheet date (March 31, 2020 : 9.30%).

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 30.

### 16 Trade Payables

Trade payables [Refer Note below]		
Amounts due to related parties	-	12.08
Others	492.53	498.73
Total	492.53	510.81

Refer Note 36 for information about liquidity risk and market risk of trade payables.

### Dues to Micro and small enterprises

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006( to the extent information received from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006). The disclosure pursuant to the the said MSME Act are as follows:

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under the MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

### 17 Other Current Financial Liabilities

Current maturities of long term borrowings	49.00	385.64
Interest accrued	2.92	11.22
Other Payables	149.05	165.23
<b>Total</b>	<b>200.97</b>	<b>562.09</b>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

		₹ in lakhs	
Particulars	As at 31.03.2021	As at 31.03.2020	
<b>18 Other Current Liabilities</b>			
Revenue received in advance	448.17	312.27	
Statutory dues	88.34	64.82	
<b>Total</b>	<b>536.51</b>	<b>377.09</b>	
<b>19 Provisions</b>			
<b>Provision for employee benefits [Refer Note 32]</b>			
Gratuity	-	3.54	
Leave Entitlement	15.74	22.24	
Provision for litigation/dispute [Refer Note (a) below]	-	-	
<b>Total</b>	<b>15.74</b>	<b>25.78</b>	
<b>Other</b>			
Provision for excise duty	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	
<b>Current total</b>	<b>15.74</b>	<b>25.78</b>	
		₹ in lakhs	
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020	
<b>20 Revenue From Operations</b>			
Manufactured goods	9660.14	12971.96	
Traded goods	28.52	235.79	
Waste	66.76	48.80	
<b>Revenue from operations (Gross)</b>	<b>9755.42</b>	<b>13256.55</b>	
<b>21 Other Income</b>			
Gains on Investments	51.80	9.19	
Interest received	9.38	36.47	
Commission received	7.00	4.93	
	<b>68.18</b>	<b>50.59</b>	
<b>22 Cost Of Raw Material And Component Consumed</b>			
Inventory at the beginning of the year	642.07	730.72	
Add.: Purchases	7129.74	8686.00	
	7771.81	9416.72	
Less : Inventory at the end of the year	856.58	642.07	
<b>Cost of raw material and components consumed</b>	<b>6915.23</b>	<b>8774.65</b>	
<b>Details of raw material and components consumed</b>			
Yarn	5045.99	6324.94	
Dyes and chemicals	286.46	409.07	
Packing materials	1582.78	1741.49	
Blankets/ Fabric	0.00	285.56	
Fabric and accessories	0.00	13.59	
	<b>6915.23</b>	<b>8774.65</b>	
<b>Details Of Inventory / Raw Material And Components</b>			
Yarn	574.68	393.58	
Dyes and chemicals	46.59	51.70	
Packing materials	231.49	192.97	
Fabric and accessories	3.82	3.82	
	<b>856.58</b>	<b>642.07</b>	

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

		₹ in lakhs
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>23 Changes In Inventories Of Finished Goods, Stock-In-Trade And Work-In-Progress Inventories At The End Of The Year</b>		
Traded goods	24.23	51.52
Work in progress	636.20	341.68
Finished goods	533.61	365.83
	<b>1194.04</b>	<b>759.03</b>
<b>Inventories At The Beginning</b>		
Traded goods	51.52	52.29
Work in progress	341.68	609.86
Finished goods	365.83	715.35
	<b>759.03</b>	<b>1377.50</b>
<b>Increase / Decrease of Inventory</b>	(435.01)	618.47
<b>24 Purchase of Stock in Trade</b>		
<b>Details Of Purchase Of Traded Goods</b>		
Blankets	4.88	17.90
Jackets	1.52	167.24
	<b>6.40</b>	<b>185.14</b>
<b>25 Employee Benefits Expense</b>		
Salary & wages	742.37	803.20
Contribution to provident fund and other funds	44.88	47.10
Gratuity expenses	28.93	29.40
Staff welfare expenses	11.88	12.83
	<b>828.06</b>	<b>892.53</b>
<b>26 Finance Costs</b>		
Bank interest	52.76	137.14
Interest others	36.42	36.62
Other Borrowing Cost	10.79	7.63
	<b>99.97</b>	<b>181.39</b>
<b>27 Depreciation And Amortization Expense</b>		
Depreciation on property, plant and equipment	422.23	429.11
	<b>422.23</b>	<b>429.11</b>
<b>28 Other Expenses</b>		
Power and fuel	716.49	859.00
Rates and taxes	11.96	7.31
Freight and forwarding charges	75.35	102.54
Rent	19.05	20.40
Insurance	24.23	27.90
Repair and Maintenance		
Plant and Machinery	217.07	211.86
Buildings	-	-
Others (General)	17.35	15.82
Advertising and sales promotion	3.62	9.63
Commission to selling agents and discount to traders	135.01	183.77
Travelling and conveyance	6.83	19.65
Communication cost	5.70	5.65
Printing and stationery	3.64	4.67
Legal and professional fees	18.90	19.18
Directors sitting fees	1.12	1.45
Payment to auditors	1.40	1.93
Directors remuneration	185.67	147.00
Miscellaneous expenses	34.80	36.61
CSR expenses	11.51	-
Loss on sale of fixed assets (net)	1.19	7.99
Exchange differences (net)	0.32	(0.90)
Job Work charges	-	9.81
	<b>1491.21</b>	<b>1691.27</b>

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

₹ in lakhs		
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Payment To Auditors</b>		
<b>As Auditors</b>		
Audit fee	1.40	1.25
In others capacity	-	0.68
	<b>1.40</b>	<b>1.93</b>

## 29 Income Taxes Expense

<b>Current Tax</b>		
Current Tax on taxable income for the year	119.92	175.66
<b>Total Current Tax Expense</b>	<b>119.92</b>	<b>175.66</b>
<b>Deferred tax</b>		
Deferred tax charge/(credit)	(26.19)	46.45
MAT Credit (taken)/utilised	26.27	(26.27)
<b>Total Deferred Income Tax Expense/(Benefit)</b>	<b>0.08</b>	<b>20.18</b>
Tax in respect of earlier years (credit)	(1.85)	3.95
<b>Total Income Tax Expense</b>	<b>118.15</b>	<b>199.79</b>

## A Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

<b>Enacted income tax rate in India applicable to the Company</b>	27.82%	27.82%
<b>Profit before tax</b>	495.51	1005.36
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	137.85	279.69
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Permanent Disallowances	5.71	6.28
<b>Tax in respect of earlier years</b>	(1.85)	3.95
Income exempted from income taxes	-	(111.23)
Other items	(23.56)	21.10
<b>Total income tax expense/(credit)</b>	<b>118.15</b>	<b>199.79</b>

Consequent to reconciliation items shown above, the effective tax rate is 23.84% (2019-20: 19.87%). Significant Estimates : In calculation of tax expense for the current year and earlier years, the company has disallowed certain expenditure based on previous tax assessments.

## B The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2021:

₹ in lakhs							
	As at 1st April, 2019- Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in other compre- hensive Income	As at 31st March, 2020- Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in other compre- hensive Income	As at 31st March, 2021- Deferred Tax Asset/ (Liabilities)
Depreciation	(265.89)	(46.45)	0	(312.34)	26.19	0.00	(286.15)
Net loss/(gain) on remeasurement of defined benefit plan	(2.77)	0	3.10	0.33		(2.33)	(2.00)
Total	(268.66)	(46.45)	3.10	(312.01)	26.19	(2.33)	(288.15)
MAT Credit Entitlements	0	26.27	0	26.27	(26.27)	0.00	0.00
Dividend distribution tax on dividend from Subsidiary	0	0	0	0.00			0.00
	<b>(268.66)</b>	<b>(20.18)</b>	<b>3.10</b>	<b>(285.74)</b>	<b>(0.08)</b>	<b>(2.33)</b>	<b>(288.15)</b>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### 30 Assets Pledged As Security

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

₹ in lakhs		
Particulars	As at 31.03.2021	As at 31.03.2020
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	560.74	1170.70
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	2070.68	1416.53
<b>Total Current assets Pledged as security</b>	<b>2631.42</b>	<b>2587.23</b>
<b>Non Current Assets</b>		
First Charge		
Land	187.98	187.98
Building	1518.65	1051.33
Furniture, fittings and equipment	-	12.52
Plant and Machinery	1883.86	2141.42
Others	81.55	159.88
<b>Total non-current assets Pledged as security</b>	<b>3672.04</b>	<b>3553.13</b>
<b>Total assets Pledged as security</b>	<b>6303.46</b>	<b>6140.36</b>

₹ in lakhs		
Particulars	As at 31.03.2021	As at 31.03.2020

### 31 Contingent Liabilities

Demand by EPFO against the company not acknowledged as debt 26.69 26.69

EPFO Bareilly has demanded Rs 26.69 lakh as PF dues. The management of the company has contested the demand of EPFO. An appeal with Hon'ble EPFAT New Delhi is pending. The company has not recognized provision for liabilities in the financial statement.

### 32 Post Retirement Benefit Plans

#### Defined Benefits Plan

##### (i) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

As per Actuarial Valuation as on 31st March, 2021 and 31st March, 2020 recognised in the financial statements in respect of Employee Benefit Schemes:

₹ in lakhs		
Particulars	As at 31.03.2021	As at 31.03.2020
<b>A. Amount Recognised In The Balance Sheet</b>		
<b>Gratuity:</b>		
Present value of plan liabilities	196.91	200.64
Fair value of plan assets	212.34	197.10
Deficit/(Surplus) of funded plans	(15.44)	3.54
Unfunded plans		
<b>Net plan liability/ (Asset)*</b>	<b>(15.44)</b>	<b>3.54</b>

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## B. Movements In Plan Assets And Plan Liabilities

₹ in lakhs

Gratuity:	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
As at 1st April	197.10	200.64	3.54	161.48	156.45	(5.03)
Current service cost		28.69	28.69		29.78	29.78
Employee contributions						
Return on plan assets excluding actual return on plan assets						
Actual return on plan asset	11.15		(11.15)	10.80	-	(10.80)
Interest cost	-	13.64	13.64	-	11.97	11.97
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-0.12	(0.12)
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.24	0.24	-	17.55	17.55
Actuarial (gain)/loss arising from experience adjustments	-	(10.88)	(10.88)	-	(7.84)	(7.84)
Employer contributions	39.51		(39.51)	31.97	-	(31.97)
Benefit payments	(35.42)	(35.42)	-	(7.15)	(7.15)	-
As at 31st March,	<b>212.34</b>	<b>196.91</b>	<b>(15.43)</b>	<b>197.10</b>	<b>200.64</b>	<b>3.54</b>

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>C. Assets</b>		
<b>Gratuity:</b>		
<b>Unquoted</b>		
Insurer managed funds	212.34	197.10
<b>Total</b>	<b>212.34</b>	<b>197.10</b>

## D. Defined Benefit Obligation And Employer Contribution

<b>Gratuity</b>		
Active Members	486	474

The weighted average duration of the defined benefit plans is 17.79 years (2019-20 : 17.86 Years)

The Company expects to contribute around ₹ 33.60lakhs to the funded plans in financial year 2021-22 for gratuity.

## E. Amount Recognised In The Statement of Profit And Loss As Employee Benefit Expenses

<b>Gratuity:</b>		
Current service cost	28.69	29.78
Finance cost/(income)	0.24	(0.38)
Mortality premium		
Asset/(Liabilities) recognised in Balance Sheet*		
<b>Net impact on the Profit / (Loss) before tax</b>	<b>28.93</b>	<b>29.40</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding actual return on plan assets	(2.25)	(1.55)
Actuarial gains/(losses) arising from changes in demographic	-	0.12
Actuarial gains/(losses) arising from changes in financial assumption	(0.24)	(17.54)
Experience gains/(losses) arising on experience adjustments	10.88	7.84
<b>Net Gain recognised in the Other Comprehensive Income before tax</b>	<b>8.39</b>	<b>(11.13)</b>

\*Surplus of assets over liabilities has not been recognised on the basis that future economic benefits are not available to the Company in the form of a reduction in future contributions or cash refunds.



## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### F Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Gratuity:		In lakhs
Particulars	As at 31.03.2021	As at 31.03.2020
<b>Financial Assumptions</b>		
Discount rate	6.79%	6.80%
Salary Escalation Rate #	7.00%	7.00%

### Demographic Assumptions

Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.

### G. Sensitivity

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

Gratuity:	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Change in assumption	Increase in present value of plan	Decrease in present value of plan	Change in assumption	Increase in present value of plan	Decrease in present value of plan
Discount rate	50 bps	12.85	(11.61)	50 bps	12.02	(10.68)
Salary Escalation Rate	50 bps	11.77	(10.72)	50 bps	10.48	(9.54)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

### H. The Defined Benefit Obligations Shall mature after year end 31st March, 2020 as follows:

		₹ in lakhs
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Gratuity:</b>		
2021	-	26.60
2022	23.85	19.91
2023	12.03	11.83
2024	5.56	4.89
2025	5.23	3.01
2026	2.88	2.56
2027	4.66	
Thereafter	142.70	131.84

#### (i) Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The scheme is funded with an insurance company in the form of qualifying insurance policy.

#### (ii) Leave Obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 15.73 lakh is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

#### (iii) Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to EPFO. The obligation of the Company is limited to

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 44.88 lakh (31st March, 2020 - ₹ 47.10 lakhs).

- 33 The company carries on the business of textiles under which blankets of different qualities and size are produced. Further the sale is made in domestic markets at the same terms and conditions. Therefore, no different business or geographical segments are recognizable and reportable.

### 34 Related Party Disclosures

#### Related parties where control exists

Prahlad Industries and Shree Bankey Bihari Enterprises with whom transactions took place.

#### Directors and key management personal and their relatives with whom transactions took place

Mr. D.K. Gupta, Mr. V.K. Gupta and Mr Adeep Gupta all whole time directors. Mr. V.P. Gupta, non executive director, Mr. Kapil Gupta, Mr. Ashish Gupta, Mrs Anita Gupta, Mrs Rajni Gupta, M/s Adeep Gupta HUF, M/s Ashish Gupta HUF, M/s D K Gupta HUF, M/s Kapil Gupta HUF, M/s J K Gupta HUF, Mrs Shalini Gupta and Mrs Himani Gupta are related parties.

#### Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

#### (a) Sale/ Purchase Of Goods And Services

₹ in lakhs							
Particulars	Year ended	Sale of Goods	Sale Service (Rent)	Purchase of Services (Rent)	Purchase of traded Goods	Amount owed by related parties	Amount owed by related parties
Shree Bankey Bihari Enterprises	31.3.2021	-	-	-	-	-	-
	31.3.2020	0.84	-	-	1.77	-	0.58
Prahlad Industries	31.3.2021	-	-	18.00	-	-	-
	31.3.2020	-	-	18.00	-	-	-
Himani Gupta	31.3.2021	-	-	1.05	-	-	0.20
	31.3.2020	-	-	2.40	-	-	-

#### (b) Remuneration To Directors, Key Managerial Personnel And Related Parties

₹ in lakhs		
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Mr. J.K. Gupta	12.00	53.25
Mr. D.K. Gupta	63.00	51.25
Mr. V.K. Gupta	63.00	60.00
Mr. Adeep Gupta	54.10	19.92
Mr. Kapil Gupta	20.96	19.92
Mr. Ashish Gupta	20.96	19.92
	<b>234.02</b>	<b>224.26</b>

In addition, Mr Kapil Gupta and Mr Ashish Gupta are covered by group gratuity scheme and remuneration to managerial personnel does not include the provisions/contribution made for gratuity as they are determined on an actuarial basis for the company as a whole. Mr Adeep Gupta has been excluded from group gratuity scheme on becoming director in the company.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

(c) Interest Paid To Related Parties		₹ in lakhs
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Adeep Gupta HUF	-	1.12
Anita Gupta	11.62	8.69
Ashish Gupta HUF	1.88	1.54
Daya Kishan Gupta HUF	3.77	1.68
Jai Kishan Gupta HUF	-	3.33
Kapil Gupta HUF	2.70	1.04
Kapil Gupta	-	0.40
Rajni Gupta	4.60	4.03
Shalini Gupta	2.14	-
Vijay Kumar Gupta HUF	3.96	-
	<b>30.67</b>	<b>21.83</b>

(d) Fee Paid To Related Non Executive Directors		₹ in lakhs
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Mr V P Gupta	0.05	-
	-	-

### 35 Fair Value Measurement

#### Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

₹ in lakhs

Financial Assets and Liabilities as at 31st March, 2021				Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount
	Non	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>																
Investments	-	-	-												-	-
- Mutual funds																
Other Assets																
Loans to Employees		10.45	10.45											10.45	10.45	10.45
Other Financial Assets	19.60		19.60											19.60	19.60	19.60
Trade receivable		560.74	560.74											560.74	560.74	560.74
Cash and Cash equivalents		19.73	19.73											19.73	19.73	19.73
Bank Balances other than Cash and cash equivalents		0.65	0.65											0.65	0.65	0.65
	19.60	591.57	611.17											611.17	611.17	611.17
<b>Financial Liabilities</b>																
Borrowings	658.16	306.34	964.50											964.50	964.50	964.50
Other Financial Liabilities		151.97	151.97											151.97	151.97	151.97
Trade Payables		492.53	492.53											492.53	492.53	492.53
	658.16	950.84	1,609.00											1,609.00	1,609.00	1,609.00

₹ in lakhs

Financial Assets and Liabilities as at 31st March, 2020				Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount
	Non	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>																
Investments	-	-	-												-	-
- Mutual funds																
Other Assets																
Loans to Employees		28.09	28.09											28.09	28.09	28.09
Other Financial Assets	19.60		19.60											19.60	19.60	19.60
Trade receivable		1,170.70	1,170.70											1170.7	1170.7	1170.7
Cash and Cash equivalents		22.47	22.47											22.47	22.47	22.47
Bank Balances other than Cash and cash equivalents		0.61	0.61											0.61	0.61	0.61
	19.60	1221.87	1241.47											1241.47	1241.47	1241.47
<b>Financial Liabilities</b>																
Borrowings	577.33	537.63	1,114.96											1114.96	1114.96	1114.96
Other Financial Liabilities		176.45	176.45											176.45	176.45	176.45
Trade Payables		510.81	510.81											510.81	510.81	510.81
	577.33	1,224.89	1,802.22											1,802.22	1,802.22	1,802.22

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### Fair value of financial assets and liabilities measured at amortised cost-

₹ in lakhs

Particulars	As at 31st March, 2021		As at 1st April, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>	-	-	-	-
<b>Financial Liabilities</b>				
Borrowings	964.50	964.50	1114.96	1114.96
	<b>964.50</b>	<b>964.50</b>	<b>1114.96</b>	<b>1114.96</b>

### 36 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

#### Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

#### Covid-19 effect

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and cost, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

#### Exposure To Interest Rate Risk

₹ in lakhs

Particulars	As at 31.03.2021	As at 01.04.2020
Total Borrowings	964.50	1114.96
% of Borrowings out of above bearing variable rate of interest	100	100

#### Interest Rate Sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

₹ in lakhs

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
50 bp increase would decrease the profit before tax by	4.82	5.61
50 bp decrease would Increase the profit before tax by	(4.82)	(5.61)

#### Market Risk- Foreign Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## (B) Particulars Of Unhedged Foreign Currency Exposures As At The Reporting Date

Particulars	As at 31st March, 2021 USD
Trade Receivable	-
Trade payables	-
Advance for purchase	3574
Particulars	As at 31st March, 2020 USD
Trade Receivable	-
Trade payables	1550
Advance for purchase	2604

### (a) (iii) Market Risk- Price risk

#### (a) Exposure

The exposure to equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. The Company does not have any exposure to equity/securities.

#### (b) Sensitivity

The Company does not have any exposure to equity/securities. So no sensitivity analysis is done.

#### (c) Foreign Currency Risk Sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax

₹ in lakhs

Particulars	2020-21		2019-20	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(3.41)	3.41	(2.89)	2.89
<b>Increase / (decrease) in profit or loss</b>	<b>(3.41)</b>	<b>3.41</b>	<b>(2.89)</b>	<b>2.89</b>

### Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no provision considered.

### Ageing of Account Receivables

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Not due	447.64	809.39
0-3 months	65.65	318.25
3-6 months	4.44	24.24
6 months to 12 months	1.36	7.37
beyond 12 months	41.65	11.45
<b>Total</b>	<b>560.74</b>	<b>1170.70</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.



# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

### (i) Financing Arrangements

The Company closely monitors liquidity position and arranges for the funds in anticipation in case of need.

### (ii) Maturity Patterns Of Borrowings

₹ in lakhs

	As at 31st March, 2021				As at 31st March, 2020			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	49.00	658.16	-	707.16	385.64	577.33	-	962.97
Short term borrowings	257.34	-	-	257.34	151.99	-	-	151.99
<b>Total</b>	<b>306.34</b>	<b>658.16</b>	<b>-</b>	<b>964.50</b>	<b>537.63</b>	<b>577.33</b>	<b>-</b>	<b>1,114.96</b>

### Maturity Patterns Of Other Financial Liabilities

₹ in lakhs

As at 31st March, 2021	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payables	492.53	-	-	-	492.53
Other Financial liability (Current and Non Current)	151.97	-	-	-	151.97
<b>Total</b>	<b>644.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644.50</b>
As at 31st March, 2020	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payables	510.81	-	-	-	510.81
Other Financial liability (Current and Non Current)	176.45	-	-	-	176.45
<b>Total</b>	<b>687.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>687.26</b>

## 37 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Borrowings other than convertible preference shares (Note 14)	658.16	577.33
Trade payables (Note 16)	492.53	510.81
Other payables (Note 17)	151.97	176.45
Less: cash and cash equivalents (Note 8)	(19.73)	(22.47)
<b>Net debt</b>	<b>1282.93</b>	<b>1242.12</b>
Total capital	5206.72	4823.30
<b>Capital and net debt</b>	<b>6489.65</b>	<b>6065.42</b>
<b>Gearing ratio</b>	<b>19.77%</b>	<b>20.48%</b>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020

### 38 Earnings Per Share (Eps)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) if any, by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

₹ in lakhs		
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year	377.36	805.54
Weighted average number of equity shares outstanding	10259750	10259750
<b>Earnings Per Share (₹) - Basic (Face value of Re. 10 per share)</b>	<b>3.68</b>	<b>7.85</b>
<b>Diluted earning per share is same as basic earning per share.</b>	<b>3.68</b>	<b>7.85</b>

39 As per section 135 of the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) during the year ended March 31, 2021 is INR 9.62 lakh (31 March 2020: INR Nil), computed at 2% of its average net profit for the immediately preceding three financial years. The Company incurred an amount INR 9.62 lakh during the year ended March 31, 2021 (31 March 2020: INR Nil), towards CSR expenditure.

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

**For and on behalf of the board of directors  
of Prakash Woollen & Synthetic Mills Limited**

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

**V. K. GUPTA**  
CFO & Whole Time Director  
DIN -00335325

**D. K. GUPTA**  
Managing Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 24 June 2021

**RUCHI GUPTA**  
Company Secretary

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**PROXY FORM****PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,  
 NH-24, Village Amhera, Distt. J.P Nagar-244102  
 Tel: 0591-2223008/18 Fax:0591-2223009  
 Website: www.prakashwoollen.com ; Email : info@prakashwoollen.com  
 CIN: L17291UP1979PLC004804

**FORM NO. MGT 11**

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

**42<sup>nd</sup> Annual General Meeting – September 18<sup>th</sup>, 2021 at 11.45 A.M.**

Name of member(s) : .....

Registered address : .....

E Mail Id : .....

Folio No. / DP ID - Client ID : .....

I / We, being the member(s) of ..... shares of the above named Company, hereby appoint:

1) Name: ..... E-Mail : .....

Address: .....

Signature ..... Or failing him / her

2) Name: ..... E-Mail : .....

Address: .....

Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the Company to be held at 18<sup>th</sup> Km Stone Delhi Moradabad Road, NH-24, Village Amhera, Distt. J.P Nagar-244102 on Saturday, the 18<sup>th</sup> day of September, 2021 at 11.45 A.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions Ordinary Business	For	Against
1.	Adoption of Financial statements of the company alongwith the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2021		
2.	Appoint a director in place of Mr. Mr. Vijay Kumar Gupta (DIN: 00335325) who retires by rotation and being eligible offers himself for re-appointment.		
3.	Re-Appointment of Auditors and fixation of remuneration.		
4.	<b>Special Business</b> Appointment of Mrs. Rajni Gupta (DIN: 09160441) as a Director of the Company.		

Signed this ..... day of ..... 2021

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of the member

Signature of the Proxy Holder(s)

**NOTE:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 42<sup>nd</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including detail of member(s) in above box before submission.

**ATTENDANCE SLIP****PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,

NH-24, Village Amhera, Distt. J.P Nagar-244102

Tel: 0591-2223008/18 Fax:0591-2223009

Website: www.prakashwoollen.com ; Email : info@prakashwoollen.com

CIN: L17291UP1979PLC004804

**Folio No./ DP ID / Client ID**

**Number of shares held**

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the forty second Annual General Meeting of the Company on Saturday, the 18<sup>th</sup> day of September, 2021, at 11.45 a.m. at 18<sup>th</sup> Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102.

Full name of proxy (in case of proxy)

Signature of first holder/proxy

Note:

Signature of joint holder(s)

1. Please fill and sign this attendance slip and hand it over at the venue of the meeting.
2. Only members of the Company and/or their proxy will be allowed to attend the meeting.

## POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c)  
of the Companies (Management and Administration) Rules, 2014

### FORM MGT-12

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,  
NH-24, Village Amhera, Distt. J.P Nagar-244102  
Tel: 0591-2223008/18 Fax:0591-2223009

Website: www.prakashwoollen.com ; Email : info@prakashwoollen.com  
CIN: L17291UP1979PLC004804

- Name(s) & Registered Address of the Sole/First Named Member : .....
- Name(s) of the Joint Holders(s), .....  
If Any
- Registered Folio Number/ DP ID No./Client ID No\*  
(\* Applicable To investors holding  
shares in demat form) : .....
- Number of Equity Share(s) held : .....
- I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 42<sup>nd</sup> Annual General Meeting (AGM) of the Company to be held on Saturday, 18<sup>th</sup> September, 2021 at 11.45 a.m., by recording my/our assent or dissent to the said Resolutions by placing the tick ( ☒ ) Mark at the appropriate box below:

Item No.	Description of Resolutions	Type of resolution (Ordinary/Special)	No. of Equity shares for which votes cast	(FOR)I/We assent to the Resolution	(AGAINST)I/We dissent to the Resolution
1.	Adoption of Audited Financial Statements of the company along with the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2021	Ordinary			
2.	Appoint a director in place of Mr. Vijay Kumar Gupta (DIN: 00335325), who retires by rotation and being eligible offers himself for re-appointment	Ordinary			
3.	Re-Appointment of Auditors and fixation of remuneration.	Special			
4.	Appointment of Mrs. Rajni Gupta (DIN: 09160441) as a Director of the Company.	Ordinary			

Date:

Place :

Signature of the Member

Notes: Please read the following instructions printed overleaf carefully before exercising your vote.



## INSTRUCTIONS

- 1) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member cast votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- 2) For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 3) The scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

### **Process and manner for Members opting to vote by using the Ballot Form:**

- 1) The Form should be complete and signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder.
- 2) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution /Authorization.
- 3) Votes should be cast in case of each resolution, either in favour or against by putting the tick (1/) mark the column provided in the Ballot.
- 4) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 11th day of September, 2021 as per the Register of Members of the Company.
- 5) A Member may request for a duplicate Ballot Form, if so required.
- 6) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 7) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 8) The results declared along with Scrutinizer's Report, shall be communicated to the BSE Limited where the shares of the Company are listed.

**Route Map for the venue of AGM of Prakash Woollen & Synthetic Mills Limited to be held on Saturday, 18<sup>th</sup> September, 2021 at 11.45 am at the Registered office of the Company.**

