

PRAKASH WOOLLEN MILLS LIMITED

BOARD OF DIRECTORS:

Shri Naresh Chandra Agarwal	--	Chairman
Shri Ved Prakash Gupta	--	Whole Time Director
Shri Jai Kishan Gupta	--	Whole Time Director
Shri Daya Kishan Gupta	--	Whole Time Director
Shri Vijay Kumar Gupta	--	Whole Time Director
Shri Pradeep Kumar Gupta	--	Director
Dr Satish Kumar Raj	--	Director
Shri Mahendra Kumar Agarwal	--	Director

REGISTERED OFFICE:

18th K.M. Stone, Delhi Moradabad Road, Village Amhera, Distt. J.P. Nagar (U.P.)-244102

BANKERS:

STATE BANK OF INDIA

AUDITORS:

Agarwal Pawan Kumar & co.
Chartered Accountants

COST AUDITORS:

M K Kulshrestha & Associates
Cost Accountants

BOOK CLOSURE DATE:

22nd September 2012 to 29th September 2012 (Both days inclusive)

ANNUAL GENERAL MEETING:

Date and Time : 29th September 2012, 11:00 A.M.
Venue : Regd. Office : 18th K.M. Stone, Delhi Moradabad Road,
Village Amhera, Distt. J.P. Nagar (U.P.)-244102

SHARE TRANSFER AGENT:

Skyline Financial Service (P) Ltd.
D-153 A, 1st Floor, Okhla,
Industrial Area, Phase – I,
New Delhi - 110 020

PRAKASH WOOLLEN MILLS LIMITED

Regd. Office: 18th K.M. Stone, Delhi Moradabad Road, NH-24, Village Amhera, District J.P.Nagar
(U.P.)-244102

NOTICE

NOTICE is hereby given that Thirty Third Annual General Meeting of the Shareholders of **Prakash Woollen Mills Limited** will be held on Saturday, the 29th day of September, 2012 at 11:00 A.M. at its registered office at 18th KM Stone, Delhi Moradabad Road, NH-24, Village Amhera, District J.P. Nagar (U.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the directors report, auditors report, audited balance sheet and profit & loss account for the year ended 31st March 2012.
2. To appoint a director in place of Shri Daya Kishan Gupta, who retires by rotation and being eligible offers himself for re appointment.
3. To appoint a director in place of Shri Ved Prakash Gupta, who retires by rotation and being eligible offers himself for re appointment.
4. To appoint a director in place of Shri Jai Kishan Gupta, who retires by rotation and being eligible offers himself for re appointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration. M/s Agarwal Pawan Kumar & Co., Chartered Accountants, Meerut the retiring auditors being eligible for re-appointment, offer themselves for reappointment.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Clause ‘C’ of Part 1 of Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to the provisions content in Articles of Association of the Company, the consent of the Company be and is hereby accorded to continue appointment of Mr. Ved Prakash Gupta as Whole Time Director of the Company after attaining the age of 70 years till his remaining period of appointment i.e.31st March’ 2014.”

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

“**RESOLVED THAT** in accordance with the provisions of Section 198, 269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions content in Articles of Association of the Company, the consent of the Company be and is hereby accorded to pay managerial remuneration upto Rs. 2,50,000/- (Rupees Two Lacs Fifty thousand Only) per month to Mr. Vijay Kumar Gupta, Whole time Director by way of basic salary and other perquisite and entitlements as per terms and conditions summarized in Explanatory Statement for a period starting from 1st day of October, 2012 till his remaining period of appointment i.e.31st March’ 2014 as decided by the remuneration committee from time to time.”

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

“**RESOLVED THAT** in accordance with the provisions of Section 198, 269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject

to the provisions content in Articles of Association of the Company, the consent of the Company be and is hereby accorded to pay managerial remuneration upto Rs. 2,50,000/- (Rupees Two Lacs Fifty thousand Only) per month to Mr. Daya Kishan Gupta , Whole time Director by way of basic salary and other perquisite and entitlements as per terms and conditions summarized in Explanatory Statement for a period starting from 1st day of October, 2012 till his remaining period of appointment i.e.31st March' 2014 as decided by the remuneration committee from time to time."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions content in Articles of Association of the Company, the consent of the Company be and is hereby accorded to pay managerial remuneration upto Rs. 2,50,000/- (Rupees Two Lacs Fifty thousand Only) per month to Mr. Jai Kishan Gupta , Whole time Director by way of basic salary and other perquisite and entitlements as per terms and conditions summarized in Explanatory Statement for a period starting from 1st day of October, 2012 till his remaining period of appointment i.e.31st March' 2014 as decided by the remuneration committee from time to time."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions content in Articles of Association of the Company, the consent of the Company be and is hereby accorded to pay managerial remuneration upto Rs. 2,50,000/- (Rupees Two Lacs Fifty thousand Only) per month to Mr. Ved Prakash Gupta , Whole time Director by way of basic salary and other perquisite and entitlements as per terms and conditions summarized in Explanatory Statement for a period starting from from 1st day of October, 2012 till his remaining period of appointment i.e.31st March' 2014 as decided by the remuneration committee from time to time."

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy so appointed need not be a member of the Company. Proxies, in order to be effective, must be received at the registered office of the Company not less than 48 hours before the time for holding the meeting.
2. Members desiring any information about the accounts and operations of the Company are requested to send their queries atleast ten days before the date of the Annual General Meeting so that information can be made available at the meeting.
3. The Register of Members and Share Transfer Books of the company will remain closed from 22nd September 2012 to 29th September 2012 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to bring their copy of Annual Report and Attendance slip (duly completed) alongwith them at the Meeting.]
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business mentioned above is annexed hereto
6. Members are requested to quote their folio number in all correspondence with Company.

By order of the Board of Directors

Place : Moradabad
Date : 30.05.2012

V.K. GUPTA
Whole Time
Director

D.K. GUPTA
Whole Time
Director

ANNEXURE (as required under Listing Agreement):

Notes on directors seeking appointment/reappointment as required under clause 49 of the Listing Agreement, entered into with the Stock Exchanges.

ITEM NO. 2:

Mr. Daya Kishan Gupta is 63 years old. He is a graduate and joined the company since its incorporation as a promoter director in 1979. He has gained rich experience in various fields including manufacturing and marketing experience in textile industry. He is director in Prahlad Flour Mills (P) Ltd. also. His continuing appointment seems to be beneficial for the Company.

ITEM NO. 3:

Mr. Ved Prakash Gupta is 70 years old. He joined the company as a promoter director in 1979. Under his able guidance the Company is now running 33 years of its existence with sustainable growth.

ITEM NO. 4:

Mr. Jai Kishan Gupta is 65 years old. He has done graduation. He joined the company since its incorporation as promoter director in 1979. He has gained rich experience in textile industry and is in charge of production of the company. He is also director in Prahlad Flour Mills (P) Ltd.

EXPLANATORY STATEMENT

Explanatory statement pursuant to section 173 (2) of the Companies Act 1956.

ITEM NO. 6:

Mr. Ved Prakash Gupta, Whole Time Director of the Company has attained age of 70 years on 20/01/2012 and as per the provisions of Clause 'c' of Part 1 of Schedule XIII of the Companies Act, 1956 it is the maximum age ceiling for appointment/continue to be appointed as whole time director or managing director as the case may be. As per the proviso of above clause the director may be appointed or continue as whole time director after age of 70 years if so approved by the shareholders by way of Special Resolution. Hence the resolution in Item No.6 is accompanied notice.

None of the Directors except Shri Ved Prakash Gupta is concerned or interested in the resolution.

ITEM NO. 7 To 10:

The Changes are taken place globally. It's the era of maintenance and presentation. Your directors possess sufficient experience and know-how, therefore the appointment proved to be in the best interest of the company. The directors are being paid remuneration far below as per industry and standards. The remuneration committee has recommended and passed necessary resolution for increase in remuneration of Shri Ved Prakash Gupta, Shri Vijay Kumar Gupta, Shri Daya Kishan Gupta and Shri Jai Kishan Gupta with effect from 1st October 2012 till their remaining period of appointment i.e. 31st March 2014. It is proposed to pay monthly remuneration with the maximum ceiling of Rs.2,50,000/- per month to each of the aforesaid directors subject to passing of resolution and recommendation of Remuneration Committee. The proposed remuneration and other perquisite are detailed below:

REMUNERATION:

Salary: Upto the ceiling of Rs.2,50,000/- (Rupees Two Lacs Fifty Thousand only) per month on CTC basis to each of the above four directors.

In addition to the Salary, the Directors are entitled to the following benefits:

- (i) **Furnished Accommodation:** The directors, since required dedicated separate space for the Company's Business commitments and also to maintain high degree of standards as per the profile, he is entitled for furnished residential accommodation.
- (ii) **Bonus:** The directors are entitled to bonus as per rules of the company.

- (iii) **Commission:** Commission as agreed from time to time subject to the provisions under the Companies Act, 1956 and other applicable provisions of any other enactment provided that the maximum commission in any financial year should not exceeds Rs.500,000/-.
- (iv) **Perquisites:**
Medical Reimbursement: Reimbursement of Medical Expenses incurred for self and family subject to a ceiling of Rs.250000/- per annum in a year or Rs.750000/- over a period of three years. It also includes reimbursement of Mediclaim policy taken by the directors.
Insurance: The life and personal accident insurance cover shall be as per the policy of the company.
Leave Travel Concession: Leave Travel Concession for self and family, once in a year incurred in accordance with the Rules of the Company, not exceeding Rs.50000/- per annum.
Club Fees: Fees of clubs subject to a maximum of two clubs. It also includes admission and life membership fees paid.
- (v) **Car & Telephone:** for use on Company's business and telephone and/or cellular phone will not be considered as perquisites. Personal long distance calls on phone and use of car for private purposes shall be billed by the Company.

The aggregate of the salary and all perquisites as enumerated above, shall at no time exceed the limits as may be prescribed from time to time under the provisions of the Companies Act, 1956, schedules thereto and rules there under, as well as any other statutory provisions as may be applicable. Payment and entitlement of Gratuity and other superannuation benefits shall remain as per the policy of the Company.

The directors shall not be eligible for any sitting fees for the Company's Board Meetings. The above details may please be treated as an abstract of the Terms & Conditions of appointment under section 302 of the Companies Act, 1956.

None of the director except Shri Ved Prakash Gupta, Shri Jai Kishan Gupta, Shri Daya Kishan Gupta and Shri Vijay Kumar Gupta is concerned or interested in the resolution. Shri Jai Kishan Gupta, Shri Daya Kishan Gupta, Shri Vijay Kumar Gupta and Shri Ved Prakash Gupta are relatives to each other and may be deemed to be concerned or interested in the resolution to the extent of payment of remuneration to each of the Whole Time Director of the company.

STATEMENT FORMING PART OF THE NOTICE

As per the requirement of Section – II of Part – II of Schedule XIII of the Companies Act, 1956

I. GENERAL INFORMATION

1. Nature of the Industry: **Manufacturer of Synthetic Mink Blankets and Shoddy/ Woolen Blankets.**
2. Date of Commencement of Commercial Production: **Since 1979**
3. Financial Performance based on given indicators:
The Company is earning continuous profit during last three years.
4. Export Performance and net foreign exchange collaboration: **N.A**
5. Foreign Investment or collaborators, if any: **N.A**

II. INFORMATION ABOUT THE APPOINTEES

1. Background details –

Name	Designation	Date of Birth	Address
Vijay Kumar Gupta	Whole Time Director	07-08-1953	Civil Lines, Kanth Road, Moradabad
Daya Kishan Gupta	Whole Time Director	06-06-1949	Civil Lines, Kanth Road, Moradabad
Jai Kishan Gupta	Whole Time Director	08-07-1947	Civil Lines, Kanth Road, Moradabad
Ved Prakash Gupta	Whole Time Director	20-01-1942	Khandak Bazar, Meerut

2. Past Remuneration – **Sh. V.K.Gupta, D.K.Gupta, J.K.Gupta and V.P.Gupta each Rs.1,00,000/- per month.**

3. Recognition or Awards – **N/A**

4. Job Profile & Suitability –

Handling the managerial responsibility as whole time director in the Company since 1979 (year) and having 33 yrs of experience in the Industry. Under their able direction and control, the company has grown up to the present level. Their expertise towards the industry and market conditions analysis is the core factor, which make them most suitable for the position and proposed remuneration.

5. Remuneration Proposed – **Rs.2,50,000/- per month to each of them**

6. Comparative Remuneration Profile with respect to industry, size of the company, profile of the position and person: - **Rs.2,50,000/- p.m. is the remuneration which in present scenario, is not so high which require any comparison with other industry.**

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: **N/A**

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

This is a seasonal industry and therefore require more funds towards working capital and maintaining of stock. Hence the turnover ratio is quite low and borrowings are on higher side. The interest burden results in inadequate profits alongwith other factors such as market conditions, demands and raw material cost.

2. Steps taken or proposed to be taken for improvement

New Plant for best capacity utilization has been installed in the previous year.

3. Expected increase in productivity and profits in measurable terms:

Approximately 5% to 25% profitability may increase due to improvement in plant.

IV. DISCLOSURES

1. The shareholders of the company shall be informed of the remuneration package of the managerial person;

2. The following disclosures shall be mentioned in the Board of Directors report under the heading "Corporate Governance", if any, attached to the annual report

- All elements of remuneration package such as salary benefits, bonuses, stock options, pension etc. of all the director;
- Details of fixed component and performance linked incentives along with the performance criteria;
- Service contracts, notice period, severance fee;
- Stock options details, If any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

All the aforesaid disclosures as required by Section – II of Part – II of Schedule XIII of the Companies Act, 1956 has been disclosed in the report of Corporate Governance attached with the Director's Report in the Annual Report of the Company for the year 2011-2012.

No separate agreement is executed in this regard. Shri Vijay Kumar Gupta, Shri Daya Kishan Gupta, Shri Jai Kishan Gupta and shri Ved Prakash Gupta Directors of the company are concerned or interested in the respective proposed resolution.

Your directors recommend the resolutions for your approval.

Place : Moradabad
Date : 30.05.2012

By order of the Board of Directors

V.K. GUPTA
Whole Time
Director

D.K. GUPTA
Whole Time
Director

DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2012

To
The Members,

The directors hereby present the Thirty Third Annual Report together with the audited statements of accounts of the company for the financial year ended 31st March 2012.

<u>FINANCIAL RESULTS</u>	<u>2011 – 2012</u>	<u>2010 – 2011</u>
	(Rs. in Lacs)	
Sales and other Income	5373.54	5269.78
Profit before interest tax and depreciation	705.84	664.45
Interest	281.70	258.32
	-----	-----
Profit/loss before Tax & Depreciation	424.14	406.13
Depreciation	208.13	204.60
	-----	-----
Profit before tax & after Interest and Depreciation	216.01	201.53
Taxation for the year		
Current tax	(75.30)	(47.25)
Defered tax	11.37	11.87
	-----	-----
Profit after tax	152.08	166.51
	-----	-----

DIVIDEND

Your directors do not recommend any dividend for the year under review.

OPERATIONS

During the year, the production increased by 7.11% in terms of quantity and gross sales increased by 7.40%. Therefore, PBDIT increased to Rs. 705.84 lacs from Rs. 664.45 lacs in the previous year and net profit before tax was up at Rs. 216.01 lacs.

LABOUR RELATIONS

Relations between the workers and the management during the year have been cordial. Management has considered the demands of workers sympathically from time to time.

FIXED ASSETS

Fixed assets of the company have been kept in proper state of repairs and all assets have been insured adequately.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956 Shri Daya Kishan Gupta, Shri Jai Kishan Gupta and Shri Ved Prakash Gupta, directors of the Company are due for retirement by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your directors state: (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2012 and of the profit or loss of the Company for the year ended on 31.03.2012; (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (d) that the directors have prepared annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under section 217(2-A) of the Companies Act, 1956 are nil.

AUDITORS

M/s Agarwal Pawan Kumar & Co., Chartered Accountants, Meerut the retiring Auditors being eligible for re-appointment offer themselves for re-appointment.

AUDITORS REPORT

The Notes on accounts, referred to in the Auditors Reports are self explanatory and therefore do not call for any further comments under 217(3) of the Companies Act 1956.

COST AUDITORS

The Central Government has approved the appointment of the following cost auditors for conducting Cost Audit for the financial year 2011- 2012.

M/s M.K. Kulsherestha & Associates
S-1. 314, Gyan Khand – I,
Indirapuram,
Ghaziabad– 201017.

CORPORATE GOVERNANCE

(a) Certificate of the auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with stock exchanges is enclosed. Details in Annexure 'A'

(b) Management Discussion and Analysis Report in Annexure 'B'

CONSERVATION OF ENERGY

The company makes endeavour to preserve natural resources and reduce energy consumption. The company has installed generators of latest technology which are fuel efficient as well as least pollution emitting. To save on energy the company has taken power connection during the year. The company regularly checks ways to reduce fuel consumption in boiler and the same is upgraded if there is any need to adopt to new technology and fuel.

FORM A
(See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

<u>A. Power and fuel consumption</u>	2011 – 2012 Current Year	2010 – 2011 Previous Year
1. Electricity		
(a) Purchased		
Unit (KWH)	8,67,047	NIL
Total Amount (Rs. '000)	5,094.21	NIL
Rate/Unit (Rs/Unit)	5.88	NIL
(b) Own generation		
(i) Through diesel generator		
Unit (KWH)	24,99,476	17,42,325
Unit per-ltr.of diesel oil	3.40	3.48
Cost/ Unit	11.00	11.42
(ii)Through steam turbine/Generator		
Unit	NIL	NIL
Unit per ltr.of fuel oil/gas	NIL	NIL
Cost/Unit	NIL	NIL
<u>2. Coal(specify quality and where used)</u>		
Quantity (tonnes)	574.100	NIL
Total cost (Rs. 000)	4,419.75	NIL
Average rate	7,698.58	NIL
<u>3. Furnace Oil</u>		
Quantity (K.ltrs.)	NIL	NIL
Total Amount	NIL	NIL
Average rate	NIL	NIL
<u>4. Others/internal generation</u>		
Quantity (Qlts)	2,397.495	2,496.273
Total Cost (Rs. '000)	10,065.94	9,560.730
Rate/Unit	4,198.52	3,830.00

B. Consumption per unit of production

Standards (if any)	Current Year	Previous Year
Products (with details unit)	1	2
<u>MINK BLANKETS (PCS)</u>		
Electricity KWH	N.A.	4.08
Furnace Oil	N.A.	NIL
Coal (Specify quality) (Kg.)	N.A.	0.70
Others		
(Wood) (Kg.)	N.A.	0.291

ABSORPTION OF TECHNOLOGY

No R & D is carried out by the company. However imported foreign technology is being used in the production of mink blankets.

- a. Technology imported : No Technology has been imported
b. Year of import : during the past 5 years.
c. Has technology been fully absorbed :
d. If not fully absorbed, areas where :
this has not taken place, reasons
therefor and future plans of action

FOREIGN EXCHANGE EARNINGS AND OUTGO

	2011- 2012	2010 - 2011
	(Rs. in Lacs)	
1. During the year company used foreign Exchange:		
(a) on purchase of Raw Material & Stores & Spares	117.14	49.95
(b) on travelling	2.52	6.71
(c) on purchase of machinery	60.33	53.21
	-----	-----
Total	179.99	109.87
	-----	-----
2. During the year company earned Foreign Exchange	NIL	NIL

APPRECIATIONS

Your directors like to record their sincere appreciation for the support which the company received from its employees, clients, bankers, central/ state governments, financial institutions and their various agencies and other organisation during the year .

FOR AND ON BEHALF OF THE BOARD

Place : Moradabad

Date : 30.05.2012

V.K. GUPTA
Whole Time
Director

D.K. GUPTA
Whole Time
Director

ANNEXURE 'A'

REPORT ON CORPORATE GOVERNANCE

Your company is complying with conditions of Corporate Governance as per listing agreement.

COMPOSITION OF BOARD OF DIRECTORS AS ON 31.03.2012

Promoter & Executive Director	4	50%
Non-Executive/Independent Director	4	50%

BOARD OF DIRECTORS AND BOARD MEETING

The Board of the company consists of eight members as on 31st March 2012. Board meetings were held during the financial year 2011-2012. The dates on which the said meetings were held are as follows:

1st Apr 2011, 20th May 2011, 15th June 2011, 11th Aug 2011, 8th Nov 2011, 30th Jan 2012, 25th Feb 2012.

Details of attendance of each director at the board meeting, the last AGM and other Indian Companies directorship and committee membership held by them are as follows:

Name of directors	Category of directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Indian Companies in which directors	No. of Committees (Other than Prakash Woollen Mills Ltd.) in which a member
Mr. Pradeep Kr Gupta	Non Executive	--	No	2	Nil
Mr. V. P. Gupta	Whole Time Director	5	No	--	Nil
Mr. J. K. Gupta	Whole Time Director	7	Yes	1	Nil
Mr. D. K. Gupta	Whole Time Director	7	Yes	1	Nil
Mr. V. K. Gupta	Whole Time Director	7	Yes	1	Nil
Mr. N. C. Agarwal	Non Executive - Independent	3	Yes	1	Nil
Mr. S. K. Raj	Non Executive - Independent	3	No	--	Nil
Mr. M. K. Agarwal	Non Executive - Independent	3	No	--	Nil

AUDIT COMMITTEE

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreements as well as under the provisions of the Companies Act 1956.

The audit committee presently comprises of Mr. Naresh Chandra Agarwal, Chairman of the committee, and Dr. S. K. Raj and Mr. M. K. Agarwal as members.

During the financial year 2011-2012, meeting of Audit Committee were held on 14.06.2011, 10.08.2011, 07.11.2011, 28.01.2012, and 30.03.2012.

REMUNERATION COMMITTEE

The company's remuneration committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole Time Directors and to deal with all elements of remuneration package of all such directors.

The committee consists of three Non- executive and independent directors viz. Mr. Naresh Chandra Agarwal, Chairman, Dr. S. K. Raj and Mr. M. K. Agarwal.

Remuneration paid or payable to directors during the year 2011-2012.

Name of directors	Sitting fees	Commission on profits	Salary	Perquisites	Total
Mr. J.K. Gupta	--	Nil	1200000	--	1200000
Mr. D.K. Gupta	--	Nil	1200000	--	1200000
Mr. V.K. Gupta	--	Nil	1200000	--	1200000
Mr. V.P. Gupta	--	Nil	1200000	--	1200000

INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The company's Investors / Shareholders Grievance Committee is presently formed under the chairmanship of Mr. Naresh Chand Agarwal. The other members of the committee are Mr. Ved Prakash Gupta and Mr. Vijay Kumar Gupta. The company had no pending complaints and transfers at the close of the financial year 2011 - 2012.

GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held on 26th September 2009 at Chamber Bhawan, Bombay Bazar, Meerut Cantt. and on 29th September 2010 and 29th September 2011 at Regd. Office Vill. Amhera Distt. J.P. Nagar. respectively. All the resolutions set out in the respective notices were passed by the shareholders. No resolution requiring postal ballot as recommended by Clause 49 of the Listing Agreements were placed for shareholders approval at the meetings.

DISCLOSURES

There are some related party transaction but these are not materially significant related party transaction i.e. transactions of the company of material nature with its directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interests of the company at large.

There were no penalties, strictures imposed on the company, by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

MEANS OF COMMUNICATION

1. Half Yearly Report :

Half-yearly report sent to each household of shareholders - No, The results of the Company are published in the Newspapers.

2. Quarterly Result :

Which newspapers normally published in

- (i) The Pioneer, Delhi
- (ii) Dainik Jagran, Moradabad

3. Website :

Any Website where displayed Nil

4. Whether it also displays the official news releases; and the presentations made to institutional Investors and Analysts :

No

5. Whether MD&A is a part of annual report or not :

Yes

GENERAL SHAREHOLDERS' INFORMATION

1. AGM : Date, Time & Venue :

Saturday 29th September 2012 at 11:00 A.M. at Vill. Amhera P.O. Chaudherpur Delhi Road, Distt. J. P. Nagar.

2. Financial Calendar :

(i) First Quarter Results	--	July 2012
(ii) Half-Yearly Results	--	October 2012
(iii) Third Quarter Results	--	January 2013
(iv) Result for the year ending 31st March 2013	--	May 2013

3. Dates of Book Closure

22nd September 2012 to 29th September 2012 (Both days inclusive)

4. Dividend Payment date:

N.A.

5. Listing on Stock Exchange:

- (i) The Delhi Stock Exchange
- (ii) Jaipur Stock Exchange
- (iii) Ahmedabad Stock Exchange
- (iv) Mumbai Stock Exchange
- (v) Kanpur Stock Exchange

6. Stock Code - Physical:

BSE 531437 ASE 45511 JSE 725

7. ISIN No. For NSDL / CDSL : INE523I01016

8. Distribution of shareholding as on 31st March 2012 :

Category	No. of Shares held	Percentage of Shareholding
A. Promoters' holding		
1. Promoters'		
- Indian Promoters	2930050	70.17
- Foreign Promoters	NIL	NIL
2. Persons acting in Concert	NIL	NIL
Sub - Total	2930050	70.17
B. Non-Promoters Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	13400	0.32
b. Banks, Financial Institutions Insurance Companies (Central / State Gov. Institutions / Non- Government Institutions)	120000	2.87
c. FIs	--	--
Sub - Total	133400	3.19
4. Others		
a. Private Corporate Bodies	163300	3.91
b. Indian Public	941650	22.55
c. NRIs/OCBs	7500	0.18
d. Any other (please specify)	--	--
Sub - Total	1112450	26.64
GRAND TOTAL	4175900	100.00

9. Market price data: High, Low during each month in the last financial year :

<u>Month</u>	<u>High Price</u>	<u>Low Price</u>
Sep.' 2011	4.41	4.20
Oct.' 2011	4.63	4.63
Nov.' 2011	5.89	4.86
Dec.' 2011	10.82	6.18
Jan.' 2012	11.92	11.03
Feb.' 2012	13.65	12.15
Mar.' 2012	14.23	12.85

10. Performance in comparison to BSE sensdex, (Broad based index) :

N.A.

11. Registrars and Transfer Agent :

Skyline Financial Service (P) Ltd
D-153 A, 1st Floor, Okhala,
Industrial Area, Phase - I
New Delhi - 110020

12. Share Transfer System :

All the transfers are processed by Skyline Financial Service (P) Ltd. and approved by the Share Transfer Committee of Directors.

13. Dematerialisation of shares and liquidity : Dematerialisation through Registrars and Transfer Agent

14. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity :

Not Issued

15. Plant Locations :

Vill. Amhera, P.O. Chaudherpur, Distt. J.P. Nager. (U.P)
Vill. Mangupura, Moradabad (U.P)

16. Address for correspondence :

Shareholders correspondence should either be addressed to Skyline Financial Service (P) Ltd. at their above address or to the Company.

ANNEXURE 'B'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY

Since incorporation in 1979. Prakash Woollen Mills Ltd., started manufacturing blankets. Earlier shoddy blankets were manufactured, later shifted to mink blankets manufacturing with the changed technologies and trends.

OPPORTUNITIES & OUTLOOK

The demand for blankets will remain steady in India due to its climatic conditions. With the growth in population and economy, the demand for blankets will keep growing in India. Indian consumers' demand is met with domestic production as well as imported products. China is main exporter of blankets to India. The company adopts latest technologies in the industry to compete and face challenges.

THREATS

China is as aggressive exporter of mink blankets and developing new technologies, trends, designs on regular basis every year. The Indian industries have to adopt the latest changes immediately to face the challenge. The company also keeps a close watch on such developments to adopt to any such changes.

APPLICABILITY OF SEGMENTAL RESULTS

The company deals in blankets only and that too in the domestic market uniformly. Therefore there is no possibility to classify its business in to different segments.

INTERNAL CONTROL

The company's internal control systems are adequate and are routinely tested and certified by our statutory auditors. Moreover, the company continuously upgrades the systems in line with the necessity.

PERFORMANCE

During the year under review the company posted goods results. The production, sales and PBT increased during the year.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your company employs about 165 persons including managerial personnels and staff. Relations among management and workmen remained cordial through out the year.

RISK & COVERS

The future prospects for the industry look stable. The product is a consumable item and need to be replaced after some years. Thus demand for the productd will remain there. However cheaper imports are a concern.

To,

The Members of
Prakash Woollen Mills Limited,
Vill. Amhera, Distt. J.P. Nagar

We have examined the compliance of conditions of Corporate Governance by Prakash Woollen Mills Limited (the Company) for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For Agarwal Pawan Kumar & Co.
Chartered Accountants

Place : Moradabad

Date : 30.05.2012

(PAWAN KUMAR)
(Prop.)
Membership No. 86706

To,

The Members of
Prakash Woollen Mills Limited,
Vill. Amhera, Distt. J.P. Nagar

1. We have audited the attached Balance Sheet of Prakash Woollen Mills Limited as at 31st March, 2012 and also the statement of Profit and Loss for the year ended on that date annexed thereto, and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 (together the Order) issued by the Central Government of India in terms of sub-section (4a) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;

(iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards (AS) referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

(v) On the basis of the written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2012;

b) In the case of the statement of Profit and Loss of the PROFIT for the year ended on that date; and

c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

For Agarwal Pawan Kumar & Co.
Chartered Accountants

Place : Moradabad
Date : 30.05.2012

(PAWAN KUMAR)
(Prop.)
Membership No. 86706

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph(3) thereof)

(1) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.

(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by this company during the year.

(2) (a) As per information given to us, the physical verification of inventory has been conducted at reasonable intervals by the management.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(3) (a) The company has not granted any unsecured loan to companies, firms or other parties covered in the register maintained under section 301 of the Act.

Consequently clause (3)(b), (3)(c), and (3)(d) are not applicable

(e) The company has taken unsecured loans, from individuals, firm / company covered in the register maintained under section 301 of the Act. Balances outstanding on Balance Sheet date were Rs. 318.58 lacs.

(f) In our opinion the rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company.

(g) The payment of the principal amount and interest are also regular.

(4) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Corrective measures are taken to remove weaknesses in internal control system as and when noticed.

(5) (a) In our opinion and according to the information and explanations given to us, particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Act have been entered.

(b) In our opinion transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(6) The company has accepted deposits from the public. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act'1956 and Companies acceptance of Deposits Rules 1975 with regard to the deposits accepted through private circulation.

(7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

(8) Pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products to which the said

rules are made applicable and we are of the opinion that prima-facie the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records.

(9) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute except the following:

EPFO has demanded Rs. 38.95 lacs. The management of the company has contested the demand of EPFO. The case is pending before PF Commissioner Bareilly.

(10) The company has been registered for a period more than five years, and it has not incurred cash losses in such financial year and in the immediately preceding financial year.

(11) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

(12) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(13) The provisions of any special statute applicable to chit fund are not applicable to the company.

(14) The company is not dealing or trading in shares, securities, debentures and other investments.

(15) In our opinion and according to the information given, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.

(16) In our opinion and according to the information and explanations given to us on overall basis the term loans have been applied for the purposes for which they were obtained.

(17) On the basis of overall examination of the balance sheet of the company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.

(18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

(19) No debentures were issued.

(20) No money were raised by public issues during the year.

(21) No fraud on or by the company has been noticed or reported during the year.

For Agarwal Pawan Kumar & Co.
Chartered Accountants

Place : Moradabad

Date : 30.05.2012

(PAWAN KUMAR)
(Prop.)
Membership No. 86706

PRAKASH WOOLLEN MILLS LIMITED
BALANCE SHEET AS ON 31ST MARCH 2012

	Notes	31 March 2012 <u>in lacs</u>	31 March 2011 <u>in lacs</u>
<u>Equity and Liabilities</u>			
<u>Shareholders' Funds</u>			
Share Capital	1	417.59	417.59
Reserves and Surplus	2	1210.03	1057.95
		<u>1627.62</u>	<u>1475.54</u>
<u>Non-Current Liabilities</u>			
Long – term borrowings	3	672.31	693.20
Deferred tax liabilities (Net)	4	235.28	246.65
Other long term liabilities	5	38.49	45.78
		<u>946.08</u>	<u>985.63</u>
<u>Current Liabilities</u>			
Short term borrowings	6	1347.64	1294.60
Trade payables		454.89	270.95
Other current liabilities	7	247.88	222.97
		<u>2050.41</u>	<u>1788.52</u>
Total		<u>4624.11</u>	<u>4249.69</u>
<u>Assets</u>			
<u>Non-Current Liabilities</u>			
Fixed Assets			
Tangible assets	8	2003.78	2002.12
Capital work in progress		58.25	-
Long term loans and advances	9	16.11	6.01
Other non current assets	10	1.98	-
		<u>2080.12</u>	<u>2008.13</u>
<u>Current assets</u>			
Inventories	11	1667.81	980.17
Trade receivables	10	742.54	1123.11
Cash and cash equivalents	12	57.31	36.77
Short term loans and advances	9	76.33	101.51
		<u>2543.99</u>	<u>2241.56</u>
Total		<u>4624.11</u>	<u>4249.69</u>
Summary of significant accounting policies	34		

The accompanying notes are integral part of the financial statements

As per our report of even date

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

For Agarwal Pawan Kumar & Co.
Chartered Accountants

V. K. GUPTA
Whole time
director

D. K. GUPTA
Whole time
director

Place : Moradabad
Date : 30 May 2012

(Pawan Kumar)
(Prop.)
Membership No. 86706

Archana Bansal
Company secretary

PRAKASH WOOLLEN MILLS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

	Notes	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Income			
Revenue from operations	13	5367.77	5269.74
Other Income	14	5.77	0.04
Total Revenue		5373.54	5269.78
Expenses			
Cost of materials consumed	15	3975.50	3640.62
Purchase of stock in trade		12.82	14.49
Changes in inventories of finished goods, work in progress and stock in trade	16	(480.51)	(111.98)
Employee benefit expense	17	207.59	194.62
Finance costs	18	281.70	258.32
Depreciation and amortization expense	19	208.13	204.60
Other expenses	20	952.16	867.22
Total Expenses		5157.39	5067.89
Profit before exceptional and extraordinary item and tax		216.15	201.89
Exceptional items		-	-
Profit before extraordinary items and tax		216.15	201.89
Extraordinary items		0.14	0.36
Profit before tax		216.01	201.53
Tax expense			
Current Tax		75.30	47.25
Deferred Tax		(11.37)	(11.87)
Profit (Loss) for the year from continuing operation		152.08	166.15
Profit / (Loss) for the year		152.08	166.15
Earnings per equity share:			
Basic		` 3.64	` 3.98
Diluted		` 3.64	` 3.98

Summary of significant accounting policies 34

The accompanying notes are integral part of the financial statements

As per our report of even date

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

For Agarwal Pawan Kumar & Co.
Chartered Accountants

V. K. GUPTA
Whole time
director

D. K. GUPTA
Whole time
director

Place : Moradabad
Date : 30 May 2012

(Pawan Kumar)
(Prop.)
Membership No. 86706

Archana Bansal
Company secretary

PRAKASH WOOLLEN MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Cash flow from operating activities		
Net profit before tax and extraordinary items	216.15	201.89
Adjustment for		
Depreciation	208.13	204.60
Loss on sale of fixed assets	4.08	2.09
Interest/dividend	257.61	242.52
Operating profit before working capital Changes	685.97	651.10
Adjustment for movements in working capital		
Increase/(decrease) in trade payables	181.08	71.44
Increase/(decrease) in other current liabilities	3.63	0.68
Increase/(decrease) in other long term liabilities	(7.29)	(111.80)
Increase/(decrease) in trade receivables.	380.57	(73.77)
Increase/(decrease) in inventory	(687.64)	(109.56)
Increase/(decrease) in long term loans and advances	(10.10)	2.15
Increase/(decrease) in in short term loans and advances	25.18	29.22
Increase/(decrease) in other non current assets	(1.98)	-
Cash generated from operations	569.42	459.46
Interest paid	(262.66)	(249.29)
Direct taxes paid	(72.58)	(46.54)
Cash flow before extraordinary items	234.18	163.63
Extraordinary Items	-	-
Net cash from operation activities	234.18	163.63
Cash flow from investing activities		
Purchase of fixed assets	(279.89)	(210.93)
Sale of fixes assets	7.77	0.75
Interest received	5.77	3.37
Net Cash used in investing activities	(266.35)	(206.81)
Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowing	205.01	171.52
Repayment of long term borrowing	(205.34)	(194.73)
Proceeds for short term borrowing	53.04	40.69
Net Cash used in financial activities	52.71	17.48
Net increase in cash and cash equivalents	20.54	(25.70)
Cash and cash equivalents as at the beginning of the year	36.77	62.47
Cash and cash equivalents as at the end of the year	57.31	36.77

Summary of significant accounting policies 34

The accompanying notes are integral part of the financial statements

As per our report of even date

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

For Agarwal Pawan Kumar & Co.
Chartered Accountants

V. K. GUPTA
Whole time
director

D. K. GUPTA
Whole time
director

Place : Moradabad (Pawan Kumar)
Date : 30 May 2012 (Prop.)
Membership No. 86706

Archana Bansal
Company secretary

PRAKASH WOOLLEN MILLS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. Share Capital

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Authorised Shares 60,00,000 equity shares of Rs. 10/- each	600.00	600.00
Issued, subscribed and paidup shares 41,75,900 equity shares of Rs. 10/- each	417.59	417.59
Total issued, subscribed and fully paid up share capital	417.59	417.59

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

	31 March 2012		31 March 2011	
	No. in lacs	` in lacs	No. in lacs	` in lacs
At the beginning of the period	41.759	417.59	41.759	417.59
Outstanding at the end of the period	41.759	417.59	41.759	417.59

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 company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, no dividend amount has been recognized as distributions to equity shareholders.

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 member of bonus shares issued shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	31 March 2012 No. in lacs	31 March 2011 No. in lacs
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.

	31 March 2012		31 March 2011	
	Nos.	% holding in the class	Nos.	% holding in the class
Mr. Vijay Kumar Gupta	253709	6.08	253709	6.08

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.

e. Details of forfeited shares

913900 equity shares were forfeited in the financial year 1998-99 which were issued at a premium of Rs. 20/- pre share. On these shares Rs. 142.16 lacs were paid.

2. Reserves and surplus

	31 March 2012		31 March 2011	
	` in lacs		` in lacs	
Share forfeited		142.16		142.16
Share premium		285.18		285.18
Revaluation reserve		132.69		132.69
Capital subsidy		10.00		10.00
Investment allowance reserve		0.17		0.17
General reserve		4.00		4.00
Surplus in the statement of profit and loss	483.75		317.60	
Add : Profit for the year	152.08	635.83	166.15	483.75
Total reserves and surplus		1210.03		1057.95

3. Long term borrowings

	Non Current Portion		Current Maturities	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	` in lacs		` in lacs	
Term Loans				
State Bank of India TL IV (Secured)	100.56	-	12.00	-
State Bank of India TL III (Secured)	181.83	265.83	84.00	89.89
State Bank of India CL (Secured)	-	94.42	94.42	44.46
State Bank of India TL II (Secured)	-	18.69	18.69	57.08
State Bank of India Car Loan (Secured)	8.01	20.97	12.96	12.85
H D F C Bank Car Loan (Secured)	5.17	-	2.77	-
Deposits (Unsecured)				
Deposits from shareholders	272.16	184.45	-	-
Deposits from others	104.58	108.84	-	-
	672.31	693.20	224.84	204.28
The above amount includes				
Secured borrowings	295.57	399.91	224.84	204.28
Unsecured borrowings	376.74	293.29	-	-
Amount disclosed under the head other current liabilities			(224.84)	(204.28)
Net amount	672.31	693.20	-	-

(a) TL IV

Term loan from State Bank of India has been sanctioned for an amount of Rs. 3.45 crores which is under disbursement. The loan carries interest @ 16.25% p.a. The loan is repayable w.e.f. October 2012 in 6 monthly instalments of Rs. 2 lacs each, 24 monthly instalments of Rs. 5.50 lacs each, 30 monthly instalments of Rs. 6.50 each and on last instalment of Rs. 6 lacs ending in the month of October 2017. The loan is secured primarily by first charge on assets created/ to be created out of this term loan.

(b) TL III

The term loan from State Bank of India was converted into FCNRB and carries interest @ 6.18% p.a. The loan is repayable in 15 monthly instalments of Rs. 2 lacs each w.e.f. 31.01.2009 and 60 monthly instalment of Rs. 7 lacs each from 30.4.10 till 31.3.2015. The loan is secured by hypothecation of assets created out of this loan.

(c) CL

The term loan from State Bank of India was converted in to FCNRB and carries interest @ 5.91% p.a. The loan is repayable in 6 monthly instalments of Rs. 2.50 lacs each starting from 31.10.2010, 24 monthly instalments of Rs. 4.50 lacs each, 14 monthly instalments of Rs. 8.50 lacs each and last

instalment of Rs. 8 lacs by 30.06.2013, Since the loan was not fully disbursed the same will be repaid in full in FY 2012-13. The loan is secured by extension of charges on all assets of the company.

(d) TL II

The loan from State Bank of India was converted in to FCNRB and carries Interest @ 6.2% p.a. The loan is repayable in 6 monthly instalments of Rs. 2 lacs each, 53 monthly instalments of Rs. 4 lacs each and last instalment of Rs. 1 lac till September 2013. The loan is secured by hypothecation of assets created / to be created out of this loan.

(e) Car loan

The loans from State Bank of India carry interest @ 12% p.a. and are secured by hypothecation of cars. The loans are repayable in 36 monthly instalments.

All the loans from State Bank on India are further secured by land and building of the company, residential properties of two whole time directors namely Mr. J.K. Gupta and Mr. D.K. Gupta and 3 STDRs of Rs. 5 lacs each pledged by M/s J.K. Gupta, D.K. Gupta and V.K. Gupta as collateral security. Further all the loans from State Bank Of India have been secured by the guarantees of all the four whole time directors of the company.

(f) The loan from HDFC bank has been secured by hypothecation of car purchased out of this loan and carries interest @ 12.5% p.a. The loan is repayable in 36 monthly instalments.

(g) Deposits from shareholders carry interest @ 12% p.a. and are repayable after 3 years from respective dates of deposits.

4. Deferred tax liability

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Fixed assets : impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting.	235.28	246.65
	<u>235.28</u>	<u>246.65</u>

5. Other long term liabilities

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Balances of agents	38.49	45.78

6. Short term borrowings

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Cash credit from State Bank of India (Secured)	1347.64	1294.60
	1347.64	1264.60
The above amount includes secured borrowings	1347.64	1294.60

Cash credit from State Bank of India is primarily secured against inventories and trade receivables and further secured by land and building of the company, residential properties of two whole time directors namely Mr. J.K. Gupta and Mr. D.K. Gupta and 3 STDRs of Rs. 5 lacs each pledged by Mr. J.K. Gupta, Mr. D.K. Gupta and Mr. V.K. Gupta whole time directors as collateral security. Further, guarantees by all the four whole time directors have been given. The loan carries interest @ 16% p.a. on rupee portion and 6% to 9% on FCNRB portion.

7. Other current liabilities

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Current maturities of long term borrowings	224.84	204.28
Interest accrued but not due on borrowing	10.12	9.40
<u>Others</u>		
TDS payable	12.19	9.29
Service tax payable	0.26	-
Commercial tax payable	0.47	-
	<u>247.88</u>	<u>222.97</u>

8. Tangible assets

(` in lacs)

	Land	Building	Plant and equipment	Furniture & fixture	Vehicle	Office equipments	Total
Cost or valuation							
At 1 Apr.'2010	92.22	698.57	2154.51	18.75	102.83	13.06	3079.94
Additions	--	97.03	70.94	5.09	36.66	1.21	210.93
Disposals	--	--	--	--	5.84	--	5.84
At 31 Mar.'2011	92.22	795.60	2225.45	23.84	133.65	14.27	3285.03
Additions	--	46.27	126.39	1.25	42.04	5.69	221.64
Disposals	--	--	--	--	18.59	--	18.59
At 31 Mar.'2012	92.22	841.87	2351.84	25.09	157.10	19.96	3488.08
Depreciation							
At 1 Apr. 2010	--	219.57	802.17	11.30	38.23	10.04	1081.31
Charges for the year	--	24.91	166.40	1.42	10.59	1.28	204.60
Disposals	--	--	--	--	3.00	--	3.00
At 31 Mar.'2011	--	244.48	968.57	12.72	45.82	11.32	1282.91
Charges for the year	--	26.77	165.57	1.54	13.65	0.60	208.13
Disposals	--	--	--	--	6.74	--	6.74
At 31 Mar.'2012	--	271.25	1134.14	14.26	52.73	11.92	1484.30
Net Block							
At 31 Mar.'2011	92.22	551.12	1256.88	11.12	87.83	2.95	2002.12
At 31 Mar.'2012	92.22	570.62	1217.70	10.83	104.37	8.04	2003.78

The company has charged depreciation on entire value including revalued amount wherever applicable from profit and loss statement and no amount of depreciation has been recouped from revaluation reserve. The amount of depreciation on amount between revalued value and original cost is Rs. 2.20 lacs.

The management of the company has assessed the assets of the company on the Balance Sheet date in compliance of AS 28 and they are of the opinion that there are no indication that the assets of the company may be impaired. Therefore no estimate has been made of the recoverable amount of the assets.

9. Long term loan and advances

	Non Current		Current	
	31 March 2012 ` in lacs	31 March 2011 ` in lacs	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Capital Advances				
Secured considered good	-	-	-	-
Unsecured considered good	1.50	1.00	13.35	-
(A)	1.50	1.00	13.35	-
Security Deposit				
Secured considered good	-	-	-	-
Unsecured considered good	14.61	5.01	1.78	1.78
(B)	14.61	5.01	1.78	1.78
Loan and Advance to related parties				
Unsecured consuded goods	-	-	-	-
(C)	-	-	-	-
Advance recorerable in cash or kind				
Secured Considerd good	-	-	-	-
Unsecured Consued good	-	-	8.72	28.09
	-	-	8.72	28.09

(D)**Other Loans and Advances**

Advance income tax(Net of provision)	-	-	-	-
Loans to employees	-	-	10.48	10.04
Balance in PLA (Excise)	-	-	2.70	-
Cenvat Credit Receivable	-	-	26.38	45.51
TUFS Subsidy Receivable	-	-	12.92	10.34
Commercial Tax	-	-	-	5.75
(E)	-	-	52.48	71.64
Total (A+B+C+D+E)	16.11	6.01	76.33	101.51

10. Trade receivables and other assets

	Non Current		Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	` in lacs	` in lacs	` in lacs	` in lacs
(a) Trade receivables				
Unsecured considard good unless Stated otherwise outstanding for a period exceeding six months from the date they are due for payment.				
Secured, considered good	-	-	-	-
Unsecured, consideret good	-	-	53.12	20.32
Doubtful	-	-	-	-
(A)	-	-	53.12	20.32
Other receivables				
Secured, Consident goods	-	-	-	-
Unsecured, consident good	-	-	689.42	1102.80
Doubtful	-	-	-	-
(B)	-	-	689.42	1102.80
Total (A+B)	-	-	742.54	1123.12
Trade receivables include				
Due from partnership firm				
Designs Unlimited	-	-	59.82	253.21
(b) Other assets				
Defined benefit plan (gratuity)	1.98	-	-	-
	1.98	-	-	-

11. Inventories (Valued at lower of cost and net realisable value)

	31 March 2012	31 March 2011
	` in lacs	` in lacs
Raw material and components	417.62	213.60
Work in progress	487.97	402.92
Finished goods	747.57	328.32
Traded goods	1.35	25.14
Stores and spares	13.30	10.19
	1667.81	980.17

12. Cash and bank balances

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Cash and cash equivalents balance with bank		
On current accounts	22.68	30.80
On deposit account	0.26	0.26
Cash in hand	34.37	5.71
	<u>57.31</u>	<u>36.77</u>

13. Revenue from operations

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Finished goods	5696.22	5295.33
Traded goods	10.84	18.93
Waste	30.51	27.86
Revenue from operations (Gross)	5737.57	5342.12
Less : excise duty	369.80	72.38
Revenue from operations (Net)	<u>5367.77</u>	<u>5269.74</u>

14. Other income

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Interest received	5.77	0.44

15. Cost of raw material and component consumed

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Inventory at the beginning of the year	213.60	218.05
Add.: Purchases	4179.52	3636.17
	4393.12	3854.22
Less : Inventory at the end of the year	417.62	213.60
Cost of raw material and components consumed	<u>3975.50</u>	<u>3640.62</u>

Details of raw material and components consumed

Yarn	2749.84	2447.25
Blankets	-	85.56
Dyes and chemicals	266.76	218.92
Packing materials	958.90	888.89
	<u>3975.50</u>	<u>3640.62</u>

Details of inventory / raw material and components

Yarn	174.99	60.87
Dyes and chemicals	102.31	48.86
Packing materials	140.32	103.87
	<u>417.62</u>	<u>213.60</u>

16. (Increase) / decrease in inventories

	31 March 2012 ` in lacs	31 March 2011 ` in lacs	Increase / Decrease ` in lacs
Inventories at the end of the year			
Traded goods	1.35	25.14	23.79
Work in progress	487.97	402.92	(85.05)
Finished goods	747.57	328.32	(419.25)
	<u>1236.89</u>	<u>756.38</u>	<u>(480.51)</u>
Inventories at the beginning			
Traded goods	25.14	27.69	(2.55)
Work in progress	402.92	251.11	151.81
Finished goods	328.32	365.60	(37.28)
	<u>756.38</u>	<u>644.40</u>	<u>(111.98)</u>

Details of Purchase of traded goods

Blankets

<u>31 March 2012</u> ` in lacs	<u>31 March 2011</u> ` in lacs
12.82	14.49
<u>12.82</u>	<u>14.49</u>

17. Employee benefits expense

Salary and wages
 Bonus
 Provident fund
 Gratuity expenses
 Medical exp.
 Leave with wages

<u>31 March 2012</u> ` in lacs	<u>31 March 2011</u> ` in lacs
156.51	149.37
28.20	26.71
9.13	8.89
12.95	9.35
0.57	0.28
0.23	0.02
<u>207.59</u>	<u>194.62</u>

18. Finance Costs

Bank interest
 Interest others
 Exchange difference to the extent considered as an adjustment to borrowing cost
 Bank charges

<u>31 March 2012</u> ` in lacs	<u>31 March 2011</u> ` in lacs
140.83	155.15
50.08	31.89
72.47	55.52
18.32	15.76
<u>281.70</u>	<u>258.32</u>

19. Depreciation and amortization expense

Depreciation on tangible assets
 Less- Recoupment from revaluation revenue

<u>31 March 2012</u> ` in lacs	<u>31 March 2011</u> ` in lacs
208.13	204.60
-	-
<u>208.13</u>	<u>204.60</u>

20. Other expenses

Power and fuel
 Rates and taxes
 Freight and forwarding charges
 Rent
 Insurance
 Repair and Maintenance
 Plant and Machinery
 Others
 Advertising and sales promotion
 Commission and discount
 Travelling and conveyance
 Communication cost
 Printing and stationery
 Legal and professional fees
 Directors sitting fees
 Payment to auditors
 Directors remuneration
 Miscellaneous expenses
 Loss on sale of fixed assets

<u>31 March 2012</u> ` in lacs	<u>31 March 2011</u> ` in lacs
499.06	413.78
37.63	54.50
56.44	60.34
16.29	8.95
14.10	10.39
65.89	90.73
12.18	7.67
10.08	27.05
141.67	107.79
19.58	22.47
6.64	7.83
3.46	2.61
8.09	12.98
0.36	0.12
0.63	0.37
48.00	30.00
7.98	7.56
4.08	2.08
<u>952.16</u>	<u>867.22</u>

Payment to auditors

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
As auditors		
Audit fee	0.50	0.25
In others capacity	0.13	0.12
	0.63	0.37

21. Related party disclosures

Related parties where control exists

Prahlad Industries, Prahlad Flour Mills (P) Ltd., Designs Unlimited, Shree Bankey Bihari Enterprises.

Related parties where significant influence exists.

Swastik Biscuit (P) Ltd., Designer Crafts.

Directors and key management personal

M/s V.P. Gupta, J.K. Gupta, D.K. Gupta, V.K. Gupta, S.K. Agarwal, Adeep Gupta, Kapil Gupta and Ashish Gupta

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 lacs)					
	Year ended	Sale of Goods	Purchase of Services (Rent)	Purchase of traded Goods	Amount owed by related parties	Amount owed to related parties
Designs Unlimited	31.3.2012	5.72	--	9.49	59.82	--
	31.3.2011	235.89	--	97.87	253.21	--
Prahlad Industries	31.3.2012	--	15.00	--	--	2.10
	31.3.2011	--	9.00	--	--	2.38

(b) Deposits/ loan taken and repayments thereof

	Year ended	Deposited / loan taken	Repayments	Interest paid	Amount owed by related parties
Prahlad Industries	31.3.2012	50.00	92.47	4.66	6.54
	31.3.2011	20.00	10.48	4.83	44.34
Deposits from directors and relatives	31.3.2012	202.33	112.25	30.42	312.04
	31.3.2011	244.45	125.41	15.72	191.54

Deposits from related parties carry interest @ 12% p.a.

(c) Remuneration to directors and key managerial personnel.

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Mr. V.P. Gupta	12.00	7.50
Mr. J.K. Gupta	12.00	7.50
Mr. D.K. Gupta	12.00	7.50
Mr. V.K. Gupta	12.00	7.50
Mr. S.K. Agarwal	7.86	5.49
Mr. Adeep Gupta	7.86	5.49
Mr. Kapil Gupta	7.86	5.49
Mr. Ashish Gupta	7.86	5.49
	79.44	51.96

In addition, Mr. S.K. Agarwal, Adeep Gupta, Kapil Gupta and 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.

22. Value of imports calculated on CIF basis

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Raw material	-	-
Components and spare parts	120.55	37.21
Capital goods	60.66	49.76
	<u>181.21</u>	<u>86.97</u>

23. Expenditure in foreign currency

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Travelling and conveyance	2.52	6.71
	<u>2.52</u>	<u>6.71</u>

24. Imported and indigenous raw material, components and spare parts consumed

	Value	% of Total	Value	% of Total
	<u>` in lacs</u>	<u>Consumption</u>	<u>` in lacs</u>	<u>Consumption</u>
	<u>31 March 2012</u>	<u>31 March 2011</u>	<u>31 March 2012</u>	<u>31 March 2011</u>
<u>Raw Material</u>				
Imported	-	-	-	-
Indigenously obtained	2749.84	100.00	2447.25	100.00
	<u>2749.84</u>	<u>100.00</u>	<u>2447.25</u>	<u>100.00</u>
<u>Components</u>				
Imported	99.82	8.14	82.18	7.42
Indigenously obtained	1125.84	91.86	1025.63	92.58
	<u>1225.66</u>	<u>100.00</u>	<u>1107.81</u>	<u>100.00</u>
<u>Spare parts</u>				
Imported	5.76	10.64	7.25	11.40
Indigenously obtained	48.40	89.36	56.36	88.60
	<u>54.16</u>	<u>100.00</u>	<u>63.61</u>	<u>100.00</u>

25. Net dividend remitted in foreign exchange

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Net dividend remitted in foreign exchange	Nil	Nil

26. Earnings in foreign currency (accrual bonus)

	31 March 2012	31 March 2011
	<u>` in lacs</u>	<u>` in lacs</u>
Earnings in foreign currency (accrual bonus)	Nil	Nil

27. Gratuity benefit plan

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 following tables summarises the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Statement of Profit and Loss**Net employee benefit expense recognized in the employee cost**

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Current service cost	5.22	4.93
Interest cost on benefit obligation	2.40	1.83
Expected return on plan assets	(3.23)	(2.14)
Net actuarial (gain)/loss recognized in the year	8.11	4.28
Total	12.50	8.90
LC Premium	0.45	0.45
Net Benefit Expense	12.95	9.35
Actual return on plan assets	3.23	2.14

Balance Sheet**Benefit Assets / liabilities**

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Present value of defined benefit obligation	(42.20)	(29.98)
Fair value of plan assets	44.18	29.98
Plan assets (liability)	1.98	--

Changes in the present value of the defined benefit obligation are as following:

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Opening defined benefit obligation	29.98	22.89
Less : past service cost not recognized	--	(3.95)
Current service cost	5.22	4.93
Interest cost	2.40	1.83
Benefits paid	(3.51)	--
Actuarial (gain/losses) on obligation	8.11	4.28
Closing defined benefit obligation	42.20	29.98

Changes in the fair value of plan assets are as follows**Benefit Assets / liabilities**

	31 March 2012 ` in lacs	31 March 2011 ` in lacs
Opeining balance of plan assets	29.98	18.94
Expected return on plan assets	3.23	2.14
Contribution	14.48	8.90
Benefits paid	(3.51)	--
Actuarial gain /(loss on plan assets (balancing)	--	--
Closing Balance of plan assets	44.18	29.98
Total actuaial gain (loss) recognised	(8.11)	(4.28)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	31 March 2012	31 March 2011
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligation for the company's plan are shown below:

	31 March 2012	31 March 2011
Discount Rate	8%	8%
Expected rate of return on assets	9%	9%

28. Contingent liabilities

	31 March 2012	31 March 2011
	` in lacs	` in lacs
Demand by EPFO against the company not acknowledged as debt	38.95	38.95
Lc opened with bank	58.85	-

EPFO Bareilly has demanded Rs, 38.95 lacs as PF dues. The management of the company has contested the demand of EPFO. The company has not recognized provision for liabilities in the financial statement.

LC amounting to US\$ 107000 has been opened with the bank for purchase of machinery and is outstanding as on 31 March 2012

29. Balances of trade receivables, trade payables are subject to confirmation as on 31.3.12

30. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given.

31. Till the year ended 31 March 2011 the company was using pre-revised schedule VI to the Companies Act 1956 for preparation and presentation of the financial statements. During the year ended 31 March 2012 the revised schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

32. 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.

33. Corporate information

Prakash Woollen Mills Ltd. Is a public company domiciled in India and incorporated under the provisions of the Companies Act 1956. Its shares are listed on five stock exchange in India. The company is engaged in the manufacturing and selling of mink blankets.

34. Significant accounting policies

I. Basis of Presentation

The financial statements are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with applicable Accounting Standards and relevant presentation requirements of the Companies Act. For recognition of income and expenses, Mercantile system of Accounting is followed.

II. Fixed Assets

Fixed Assets are stated at cost or revaluation net of accumulated depreciation. Cost comprises the purchase price and any directly attributable costs of bringing the assets to working condition for its intended use. When fixed assets are revalued, surplus on revaluation is credited to Revaluation Reserve Account.

III. Investments

Investments are stated at cost of acquisition. Market value of quoted Investments at the date of the Balance Sheet is disclosed. Adjustment for increase / decrease in the value of investment, if any, is accounted for on realisation of the investment.

IV. Inventories

Inventories are valued at lower of cost or net realisable value. Cost for raw materials, store, packing material and consumables is generally determined on FIFO basis. Cost for own manufactured goods comprises of materials and other attributable expenses and overheads (including interest).

V. Depreciation

Depreciation on fixed assets has been provided on straight line method basis. Depreciation on Plant and Machinery has been provided for at the rates prescribed in Schedule XIV to the Companies Act 1956. In respect of certain assets whose residual useful life is determined to be less than the residual life as per books, depreciation is provided at the adjusted higher rates so that the value thereof is written off over the useful life determined.

VI. Retirement Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the Provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company operates defined benefit plan viz gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation each year.

VII. Foreign Currency Transactions

Outstanding foreign currency assets and liabilities are translated at the exchange rate prevailing as on Balance Sheet date or forward cover rate (as stretched over the period of contract), as the case may be. Gains or losses on these assets and liabilities including those on cancellation of forward exchange contracts, relating to the acquisition of fixed assets are adjusted to the cost of such fixed assets and those relating to other accounts are recognised in the Profit and Loss Account under respective heads of accounts. The difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of contract.

VIII. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

As per our report of even date

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

For Agarwal Pawan Kumar & Co.
Chartered Accountants

V. K. GUPTA
Whole time
director

D. K. GUPTA
Whole time
director

Place : Moradabad
Date : 30 May 2012

(Pawan Kumar)
(Prop.)
Membership No. 86706

Archana Bansal
Company secretary

PRAKASH WOOLLEN MILLS LIMITED

18th K.M. Stone, Delhi Moradabad Road, NH-24, Village Ahmera, District J.P.Nagar (U.P.)-244102

ATTENDENCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting hall, Joint Shareholders may obtain additional Attendance Slip on request.

Name and Address of the Shareholder (In Block Letter)

Mr/Mrs/Ms :

Name of Proxy,if attending for member (in Block Letters):

Mr/Mrs/Ms :

Master Folio No.:
No. of Share Held:

I hereby record my presence at the Annual General Meeting of the Company, held on **Saturday** the **29th September 2012** at **11.00 A.M.** at Regd. Office: 18th K.M. Stone, Delhi Moradabad Road, NH-24, Village Ahmera, District J.P.Nagar (U.P.)-244102

Signature of the Shareholder or Proxy

PRAKASH WOOLLEN MILLS LIMITED

18th K.M. Stone, Delhi Moradabad Road, NH-24, Village Ahmera, District J.P.Nagar (U.P.)-244102

PROXY FORM

Master Folio No.:
No. of Share Held:

I/We of being a member/members of PRAKASH WOOLLEH MILLS LIMITED hereby appoint..... of or failing him.....of..... as my/ our proxy to vote for me/us on my/our behalf to attend the Annual General Meeting of the Company to be held at Regd. Office: 18th K.M. Stone, Delhi Moradabad Road, NH-24, Village – Ahmera, District – J.P.Nagar (U.P.)-244102 at **11:00 A.M.** on **Saturday**, the **29th** day of **September 2012** and/or at any adjournment thereof.

Signed.....day of.....2012 Signature(s)

- Note. : 1 This Proxy form must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the aforesaid meeting.
- 2 A Proxy need not be a member.