



**ONLY GROWTH
IS CONSTANT !**

**ANNUAL REPORT
2013-2014**

PRAKASH WOOLLEN MILLS LIMITED

PRAKASH WOOLLEN MILLS LIMITED

BOARD OF DIRECTORS

Mr. Jai Kishan Gupta
Managing Director

Mr. Vijay Kumar Gupta
Whole Time Director & CFO

Mr. Daya Kishan Gupta
Whole Time Director

Mr. Ved Prakash Gupta
Whole Time Director

Mr. Pramod Kumar Agarwal
Independent Director

Mr. Mahendra K. Agarwal
Independent Director

Mr. Vijay Anand Rastogi
Independent Director

Dr. Satish Kumar Raj
Independent Director

COMPANY SECRETARY

Ms. Mansee Agarwal

BANKERS

State Bank of India
Commercial Branch,
Moradabad, U. P.

STATUTORY AUDITORS

Messrs A. Anand & Co.
Chartered Accountants
Moradabad, U. P.

COST AUDITORS

Messrs KAG & Associates
Cost Accountants
Ghaziabad, U. P.

COMPANY SECRETARY IN PRACTICE

R. S. Bhatia
Company Secretary in Practice
New Delhi

REGISTERED OFFICE

18th 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
Website: www.prakashwoollen.com

REGISTRAR & TRANSFERS AGENTS

Skyline Financial Services Limited,
D-153 A, 1st Floor, Okhla, Indl. Area, Phase-I,
New Delhi-110024
Ph. No.: 01126812682/83 Fax: 011-30857562
Email id: admin@skylinerta.com

LISTING

Bombay Stock Exchange
Delhi Stock Exchange

CORPORATE IDENTIFICATION NUMBER

CIN:L17113UP1979PLC004804

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PRAKASH WOOLLEN MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of **Prakash Woollen Mills Limited** will be held on Thursday, the 25th day of September, 2014 at 11.00 a.m. at the registered office of the Company at 18th Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended on that date and 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 is eligible for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Appointment of Auditors and to fix their remuneration

“RESOLVED THAT pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 Messrs A. Anand & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, in place of Messrs. Agarwal Pawan Kumar & Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company.”

Special Business:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

APPROVAL OF REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2015

“RESOLVED THAT, pursuant to the provisions of Section 141, 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s KAG & Associates, Cost Accountants, Ghaziabad, Uttar Pradesh as Cost Auditor to audit the cost records maintained by the Company for product(s)/Services for the Financial Year 2014-2015 at a remuneration of Rs. 30000/- plus service tax and out-of pocket expenses, as made by the Board be and is hereby ratified.”

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

“RESOLVED THAT pursuant to Section 180 (1)(c) and any other applicable provisions of the Companies Act and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) the Company hereby accords its consent to the Board Of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50 Crore (Rupees Fifty Crore only) “

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

RESOLVED THAT in supersession of the Ordinary Resolution passed earlier and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter may be referred to as “the Board” which term shall be deemed to include any Committee of Directors duly constituted by the Board to exercise its powers conferred by this resolution) to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company, both present and future, and in such form and manner and with such rankings as to priority and for such time and on such terms as the Board of Directors may determine in favour of banks, financial Institutions, investing agencies, firm, bodies corporate, multilateral agencies, foreign institutional investors, foreign financial institutions, mutual funds and/or from any other persons or combination thereof (hereafter known as lenders) to secure the borrowings of the Company availed/ to be availed by way of cash credit, advance, deposits, loan, term loan, overdraft, packing-credit, letter of credit, release / issuance of delivery order, pre-shipment credit, post-shipment credit, payment undertaking, guarantee facility, bills purchase, bills discount, buyer's credit facility, debentures, external commercial borrowing, issuing foreign currency convertible bonds, and/or any other credit facilities by whatever name called, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, all other cost, charges and expenses and all other moneys payable in terms of loan agreements or any other document entered into to be entered into between the Company and the lenders in respect of such loans/ borrowings.

PRAKASH WOOLLEN MILLS LIMITED

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to sign and execute such documents/deeds/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
“**RESOLVED THAT** pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV of the Act, Mr. Vijay Anand Rastogi, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. November 11, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Vijay Anand Rastogi for the office of the Director of the Company, be and is hereby elected and appointed as a director, whose period of office shall be liable to determination by retirement of directors by rotation.”
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pramod Kumar Agarwal (holding DIN no. 05248122), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f. September 25, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019.”
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION the following:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mahendra Kumar Agarwal (holding DIN no. 02225421), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f. September 25, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019.”
10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Satish Kumar Raj (holding DIN no. 00852221), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f. September 25, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019.”
11. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:
Re-appointment of Mr. Vijay Kumar Gupta (DIN: 00335325) as a Whole-Time Director and CFO
RESOLVED THAT in accordance with the provisions of Section 196, 197 & 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and with Schedule V and all other applicable statutory provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, approval of the shareholders be and is hereby accorded to the re-appointment of Mr. Vijay Kumar Gupta as Whole-Time Director (designated as Director Finance), of the Company for a period of five years with effect from 1st April, 2014 on a remuneration of Rs. 2.50 lac per month (whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act, 1961).
RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits, he be paid Minimum Remuneration as per provisions of Schedule V of the Companies Act, 2013.
RESOLVED FURTHER THAT, pursuant to Section 203 and as per recommendations of Nomination and Remuneration Committee, approval of the shareholders be and is hereby given for appointment of Mr. Vijay Kumar Gupta as the Chief Financial Officer of the company and that he will have dual charge as Whole-Time Director & Chief Financial Officer.”
12. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:
Re-appointment of Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director.
RESOLVED THAT in accordance with the provisions of Section 196, 197 & 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and all other applicable statutory provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, approval of the shareholders be and is hereby accorded to re-appoint Mr. Jai Kishan Gupta as Managing Director of the Company for a period of five years with effect from 1st April, 2014 on a remuneration

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of Rs. 2.50 lac per month (whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act, 1961).

RESOLVED FURTHER THAT, all acts done by Board Management in respect of appointment, payment of remuneration to Mr. Jai Kishan Gupta, Managing Director from 01.04.2014 be and are hereby confirmed, approved, ratified including regularisation of remuneration of the appointment.

RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits, he be paid Minimum Remuneration as per provisions of Schedule V of the Companies Act, 2013.

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

Re-appointment of Mr. Daya Kishan Gupta (DIN: 00337659) as Whole time Director

RESOLVED THAT in accordance with the provisions of Section 196, 197 & 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and with Schedule V and all other applicable statutory provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, approval of the shareholders be and is hereby accorded to re-appoint Mr. Daya Kishan Gupta as Whole Time Director of the company for a period of five years with effect from 1st April, 2014 on a remuneration of Rs. 2.50 lac per month (whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act, 1961).

RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits, he be paid Minimum Remuneration as per provisions of Schedule V of the Companies Act, 2013.

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

Re-appointment of Mr. Ved Prakash Gupta (DIN: 00337659) as Whole time Director

RESOLVED THAT in accordance with the provisions of Section 196, 197 & 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and with Schedule V and all other applicable statutory provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, approval of the shareholders be and is hereby accorded to re-appoint Mr. Ved Prakash Gupta as Whole Time Director of the company for a period of five years with effect from 1st April, 2014 on a remuneration of Rs. 2.50 lac per month (whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act, 1961).

RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits, he be paid Minimum Remuneration as per provisions of Schedule V of the Companies Act, 2013.

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

ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

August 12, 2014

By Order of the Board of Directors
For Prakash Woollen Mills Limited

(Vijay Kumar Gupta)
Whole Time Director & CFO
DIN No. : 00335325

Registered Office:

18th Km. Stone, Delhi Moradabad Road
NH-24, Village Amreha, Distt. J.P Nagar,
Uttar Pradesh-244102
CIN: L17113UP1979PLC004804
e-mail: info@prakashwoollen.com

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1. **A member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing proxy in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.**
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. A brief resume of the persons to be appointed and/ reappointed as Directors, pursuant to the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of place of the meeting. Proxy/representative of a member should mark on the Attendance Slip as “Proxy” or “Representative” as the case may be.
6. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant only and not to the Company’s Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company’s records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.
7. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to the Company’s Registrar & Share Transfer Agent quoting their registered folio number.
8. Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2014 to Thursday, 25th September, 2014 (Both days inclusive).
9. Members desirous of having any information regarding accounts are requested to address their queries to the Manager (Finance) at the registered office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
10. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically.
12. E-Voting:
 1. In compliance with provisions of Section 108 of the Companies Act 2013 and rule 20 of the Companies (Management and Administration) rules 2014, the Company is pleased to provide members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by CDSL(Central Depository Services India Limited).

The instructions for shareholders voting electronically are as under:

 - (i) The voting period begins on 15th September 2014 and ends on 17th September 2014. 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 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on “Shareholders” tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form

- PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number/member ID in the PAN field.
 - In case the folio number/member ID is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number/member ID 1 then enter RA00000001 in the PAN field.
- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the No. of shares in the Dividend Bank details field.

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

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

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

(xi) Click on the EVSN for the relevant PRAKASH WOOLLEN MILLS LIMITED on which you choose to vote.

(xii) 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.

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

(xiv) 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.

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

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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- II. a. Mr. R.S. Bhatia, FCS, Practicing Company Secretary (CP No.2599) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
- b. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- c. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and will also be placed on the website of the Company within the prescribed period.

STATEMENT PURSUING TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Ordinary and Special Business mentioned in the accompanying Notice:

ITEM NO. 3

M/s Agarwal Pawan Kumar & Co. Chartered Accountants, who were the statutory auditors of the company have resigned w.e.f. the conclusion of this Annual General Meeting vide their letter dated 08th July 2014 due to their preoccupation. Your Directors have, on the recommendations of the Audit Committee have selected M/s A. Anand & Co. Chartered Accountants for the position of Statutory Auditors. The said firm of auditors have experience of 24 years.

As per Rule 3(4) of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Auditors to fill the vacancy caused by the resignation of Auditors is to be made by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

ITEM NO.4

The appointment of Cost Auditor for 2014-2015 was recommended by the Audit Committee to the Board and to be ratified by the Shareholders. It was proposed to re-appoint M/s KAG & Associates, Cost Accountant Ghaziabad, Uttar Pradesh as Cost Auditors.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO. 5 AND 6

Section 180 of the Companies Act 2013 effective from September 12, 2013 requires that consent of the Company accorded by way of a special resolution is required to borrow money in excess of the Company's paid up share capital and free reserves. Further, as per the clarification issued by Ministry of Corporate Affairs approval granted by way of ordinary resolution shall be valid for one year from the date Section 180 became effective. Thus, the approval granted by members is valid upto 11th September 2014.

Similarly, for securing the above borrowings, the Company may need to create Charge/Mortgage over all or any of the movable and/or immovable properties of the Company, both present and future, wherever situated in favour of lenders/trustee(s)/agent(s) in addition to charge/mortgage already created in favour of lenders.

The mortgage and/or charge by the Company on its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/ agent(s)/trustee(s) may be regarded as disposal of the Company undertaking(s) within the meaning of section 180 (1)(a) of the Companies Act, 2013.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and 180(1)(a) and other applicable provisions of the Companies Act 2013 as set out at Item No. 5 and 6 of the Notice. The Board recommends the resolutions for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 5 and 6.

The Directors recommend the Resolution for approval of the Shareholders.

ITEM NO. 7

The Board of Directors of the Company appointed, pursuant to the provisions of Section 260 of the Companies Act 1956 and the Articles of Association of the Company, Shri Vijay Anand Rastogi as an Additional Director of the Company with effect from November 11, 2013.

In terms of the provisions of said section Shri Vijay Anand Rastogi would hold office up to the date of the ensuing Annual General Meeting.

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The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Vijay Anand Rastogi for the office of Director of the Company. Shri Vijay Anand Rastogi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

In the opinion of the Board, Shri Vijay Anand Rastogi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri Vijay Anand Rastogi is independent of the management.

Brief resume of Shri Vijay Anand Rastogi, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Vijay Anand Rastogi be appointed as Director of the Company.

Copy of the draft letter for appointment of Shri Vijay Anand Rastogi as Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri Vijay Anand Rastogi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.8

Mr. Pramod Kumar Agarwal (holding Din No.:05248122), aged 65 years, is Non- Executive and Independent Director of the Company. He is a Post Graduate and is having a degree of L.L.M also . He is retired manager of Life Insurance Corporation. He is having an experience of around 40-45 years.

As per the provisions of Sec 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Pramod Kumar Agarwal has given a declaration to the Board that he meets the criteria of independence as provided under Sec 149(6) of the Act. In the opinion of the Board, Mr. Pramod Kumar Agarwal fulfills the conditions specified in the Act, and the Rules made there under for the appointment of Independent Director and he is Independent of the management.

In compliance with the provisions of Sec 149 read with Schedule IV of the Act, the appointment of Mr. Pramod Kumar Agarwal as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mr. Pramod Kumar Agarwal pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Mr. Pramod Kumar Agarwal is interested and concerned in the Resolution as mentioned at Item no. 8 of the notice, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.9

Mr. Mahendra Kumar Agarwal (holding Din No.: 02225421), aged 74 years, is Non- Executive and Independent Director of our Company. He is a Post Graduate and is having a degree of LLB also. He is in business and is also having a printing press of himself. He is having an experience of around 45-50 years.

As per the provisions of Sec 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Mahendra Kumar Agarwal has given a declaration to the Board that he meets the criteria of independence as provided under Sec 149(6) of the Act. In the opinion of the Board, Mr. Mahendra Kumar Agarwal fulfills the conditions specified in the Act, and the Rules made thereunder for the appointment of Independent Director and he is Independent of the management.

In compliance with the provisions of Sec 149 read with Schedule IV of the Act, the appointment of Mr. Mahendra Kumar Agarwal as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mr. Mahendra Kumar Agarwal pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

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Mr. Mahendra Kumar Agarwal is interested and concerned in the Resolution as mentioned at Item no.9 of the Notice, none of the Directors and Key Managerial Personnel of the Company and their relative is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.10

Dr. Satish Kumar Raj (holding Din No.: 00852221), aged 69 years, is Non- Executive and Independent Director of our Company. He is M.B.B.S and is having an experience of more than 40 years in this profession.

As per the provisions of Sec 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Dr. Satish Kumar Raj has given a declaration to the Board that he meets the criteria of independence as provided under Sec 149(6) of the Act. In the opinion of the Board, Dr. Satish Kumar Raj fulfills the conditions specified in the Act, and the Rules made thereunder for the appointment of Independent Director and he is Independent of the management.

In compliance with the provisions of Sec 149 read with Schedule IV of the Act, the appointment of Dr. Satish Kumar Raj as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Dr. Satish Kumar Raj pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Dr. Satish Kumar Raj is interested and concerned in the Resolution as mentioned at Item no. 10 of the Notice, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.10.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.11:

The Board of Directors of the Company (the 'Board'), at its meeting held on 31st March, 2014 has, subject to the approval of members, re-appointed Mr. Vijay Kumar Gupta (DIN: 00335325) as Whole Time Director & CFO, for a **period of 5 (five) years** with effect from 1st April 2014, on a remuneration of Rs. 2.5 Lac per month (Whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act 1961), subject to the approval of shareholders.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Vijay Kumar Gupta as Whole Time Director and CFO, in terms of the applicable provisions of the Act.

None of the Directors and Key Managerial personnel of the Company and their relatives except Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta is concerned or interested financially or otherwise in the resolution set out at Item No.11. Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta are relatives of 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 and Managing Director of the Company. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment.

The above may be treated as a written memorandum setting out the terms of re-appointment of Sh. Vijay Kumar Gupta under section 190 of the Companies Act, 2013.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.12:

The Board of Directors of the Company (the 'Board'), at its meeting held on 31st March, 2014 has, subject to the approval of members, re-appointed Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director for a period of **5 (five) years** with effect from 1st April 2014, on a remuneration of Rs. 2.50 Lac per month (Whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act 1961).

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director, in terms of the applicable provisions of the Act.

None of the Directors and Key Managerial personnel of the Company and their relatives except Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta is concerned or interested financially or otherwise in the resolution set out at Item No.12. Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta are relatives of 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 and Managing Director of the Company. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment.

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The above may be treated as a written memorandum setting out the terms of re-appointment of Sh. Jai Kishanar Gupta under section 190 of the Companies Act, 2013.

Shareholders are required to confirm the appointment and remuneration made to Mr. Jai Kishan Gupta on 01.04.2014.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.13:

The Board of Directors of the Company (the 'Board'), at its meeting held on 31st March, 2014 has, subject to the approval of members, re-appointed Mr. Daya Kishan Gupta (DIN: 00337569) as Whole Time Director for a period of 5 (five) years with effect from 1st April 2014, on a remuneration of Rs. 2.50 Lac per month (Whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act 1961).

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Daya Kishan Gupta (DIN: 00337569) as Whole Time Directors, in terms of the applicable provisions of the Act.

None of the Directors and Key Managerial personnel of the Company and their relatives except Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta is concerned or interested financially or otherwise in the resolution set out at Item No.13. Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta are relatives of 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 and Managing Director of the Company. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment

The above may be treated as a written memorandum setting out the terms of re-appointment of Sh. Daya Kishan Gupta under section 190 of the Companies Act, 2013.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.14:

The Board of Directors of the Company (the 'Board'), at its meeting held on 31st March, 2014 has subject to the approval of members, re-appointed Mr. Ved Prakash Gupta (DIN: 00434369) aged 72 Years as Whole Time Director for a period of 5 (five) years with effect from 1st April 2014, on a remuneration of Rs. 2.50 Lac per month (Whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act 1961).

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Ved Prakash Gupta (DIN: 00434369) as Whole Time Directors, in terms of the applicable provisions of the Act.

None of the Directors and Key Managerial personnel of the Company and their relatives except Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta is concerned or interested financially or otherwise in the resolution set out at Item No.14. Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta are relatives of 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 and Managing Director of the Company. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment

The above may be treated as a written memorandum setting out the terms of re-appointment of Sh. Ved Prakash Gupta under section 190 of the Companies Act, 2013.

The Directors recommend the Resolution for approval of the shareholders.

ITEM NO.15

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013.

With the coming into force of the Companies Act 2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;

PRAKASH WOOLLEN MILLS LIMITED

- d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- e) existing articles have been streamlined and aligned with the Act;
- f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 15 of the Notice.

The Board recommends the Special Resolution set out at Item No. 15 of the Notice for approval by the shareholders.

The Directors recommend the Resolution for approval of the shareholders.

August 12, 2014

Registered Office:
18th Km. Stone, Delhi Moradabad Road
NH-24, Village Amreha, Distt. J.P Nagar,
Uttar Pradesh-244102
CIN: L17113UP1979PLC004804
e-mail: info@prakashwoollen.com

By Order of the Board of Directors
For Prakash Woollen Mills Limited
sd/
(Vijay Kumar Gupta)
Whole Time Director & CFO
DIN No. : 00335325

PRAKASH WOOLLEN MILLS LIMITED

DIRECTORS REPORT

To The Members,

Your Company has the pleasure in presenting the 35th Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2014.

Financial Highlights

Particulars	(Rs. in lacs) 2013-2014	(Rs. in lacs) 2012-2013
Gross Sales	8118.21	6425.61
Other Income	8.23	5.99
Total Revenue	8126.44	6431.60
Profit before Depreciation & Tax	574.31	511.82
Depreciation	249.49	227.10
Profit before Tax	324.82	284.72
Tax adjustment for Current year	(102.04)	(77.30)
Tax adjustment for Deferred Tax	0.59	(12.81)
Profit after Tax	223.37	194.61

Delisting of Company securities from Delhi Stock Exchange

Your Company has moved delisting application to the Delhi Stock Exchange, which is pending before the review board of the Delhi Stock Exchange.

Dividend

Your Directors consider it prudent not to recommend any dividend for the year 2013-14 keeping in view the need of resources for the new plant as well as to meet future expansion plans of the Company.

Review of Operations

The revenue of the company in the financial year 2013-2014, increased from Rs. 8118.21 Lac in comparison to last year's revenue of Rs. 6425.61 Lac, by registering a growth of 26.34%.

The expenditure of the company in the financial year 2013-2014, increased from Rs. 7801.62 Lac in comparison to last year of Rs. 6146.88 Lac, being 26.92%.

An amount of Rs. 60.85 Lac was received during the financial year as Share Premium.

Issue of shares & warrants on preferential basis

During the year Under review, your Company issued 36,69,950 Equity Shares and 15,00,000 Warrants on preferential basis, as approved by you in last annual general meeting. Your company issued these Equity Shares and Warrants on 26th August, 2013. The proceeds from the same were utilized for the working capital of the Company.

Conversion of Warrants in Equity Shares

During the year under review, your company converted 15,00,000 Warrants into same number of Equity Shares on 11th October, 2013.

Re-issue of Forfeited Equity Shares

Your company re-issued 9,13,900 Equity Shares which were earlier forfeited in the year of 1998, as approved by you in the Extra Ordinary General Meeting held on 11th December, 2013.

Listing Status of issued Securities as on 31st March, 2014

Particulars	Status
36,69,950 Equity Shares	Listed
15,00,000 Equity Shares consequent upon conversion of warrants	Listed
9,13,900 Re-issued Forfeited Equity Share	Pending for Listing

Details of Subsidiaries

Your company does not have any unlisted/listed subsidiary company.

Public Deposit

Your Company has no deposits as at the end of the Financial Year March 2014.

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Auditors and Auditors' Report

Messrs. Agarwal Pawan Kumar & Co., Chartered Accountants, auditors of the Company have resigned with effect from the conclusion of the ensuing Annual General Meeting vide their letter dated 08th July 2014. The Board has shortlisted M/s A. Anand & Co., Chartered Accountants to fill the vacancy.

There is no adverse qualification in the Audit Report which needs to be clarified.

Listing

The Company's shares continue to remain listed with Delhi Stock Exchange. The company is regularly paying fees of the exchange. The company is also complying with all the requirements of Listing Agreement from time to time.

Particulars of employees

During the year, there were no employees who were in receipt of remuneration as per the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your Directors hereby state and confirm that:

- a) in the presentation of the annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures for the same;
- b) 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 & fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) 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) they have prepared the annual accounts of the Company on a going concern basis.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in **Annexure "A"** and forms part of this report.

Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of this Annual Report.

Certificate from the Auditor of the Company, Messrs. **Agarwal Pawan Kumar & Co.** confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

Cautionary Statement

Statements which are particulars of management discussion and analysis report describing the Company's objectives, projections, estimates, expectations may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Factors that could make a difference to the Company's operations, inter-alia, include the economic conditions, government policies and other related/incidental factors.

Acknowledgement

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and Employees of the Company and looks forward to a continued mutual support and co-operation.

Place: Village Amhera (J. P. Nagar)

Date: 12th August, 2014

Sd/-
(Jai Kishan Gupta)
Managing Director
DIN: 00337659

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

**A. CONSERVATION OF ENERGY
FORM A
(See rule 2)**

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption		Current Year	Previous Year
1	Electricity Current Year	3208792	3055532
(a)	Purchased Unit	25031.066	19789.51
	Total amount	7.80	6.47
	Rate/Unit (in Rs.)		
(b)	Own Generation		
(i)	Through Diesel generator unit	744242	658660
	Units (KWH)per ltr. of diesel oil	3.38	3.35
	Cost/Unit (in Rs.)	19.98	11.22
(ii)	Through steam turbine/generation) units		
	Units (KWH)per ltr. of fuel oil/gas	NIL	NIL
	Cost/unit	NIL	NIL
2	Coal (specify quality and where used)		
	Quantity (tones)	NIL	157.21
	Total Cost(Rs. '000)	NIL	1574.39
	Average rate	NIL	10014.57
3	Furnace Oil		
	Quantity (k ltrs)	NIL	NIL
	Total Cost	NIL	NIL
	Average rate	NIL	NIL
4	Others/internal generation (pl. give detail)		
	Quantity()	1381.897	1001.79
	Total Cost (Rs. '000)	14104.26	7508.12
	Average rate	10206.45	7500.00
B. Consumption per unit of production			
		Standard (if any)	Current year
	Electricity	N. A.	3.04
	Furnace oil	N. A.	NIL
	Coal (specify quality)	N. A.	NIL
	Others (specify)	N. A.	NIL
			Previous year
			2.19
			NIL
			0.123
			NIL

B- TECHNOLOGY ABSORPTION

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 :
- b. Year of import :
- c. Has technology been fully absorbed :
- d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action :

Foreign Exchange Earning and Outgo

	Current Year	Previous Year
Foreign Exchange Earning	NIL	NIL
Foreign Exchange Outgo		
(a) on Raw Material & Stores & Spares	152.50	100.60
(b) on travelling	10.51	8.07
(c) on Capital Goods	202.71	58.69

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Current Scenario

Manufacturing in India is still a mere 16 percent of the country's GDP while it is 34 per cent for China and 40 percent for Thailand. Eleventh five year plan targeted growth in manufacturing at 10 to 11 percent but actual performance remained only about 7.7 percent. Therefore, there is large scope for further industrialization and increase in production in India.

Your Company 'Prakash Woollen Mills Limited' has registered a growth of 28.76 % whereas the GDP of the Country is 6.4%.

Outlook, Opportunity and Challenges

The market for the mink blankets in India, being a necessity to live in India due to climatic conditions keeps steadily growing. In order to enhance its market share, the Company has gone for the capacity expansion at the existing factory complex, which is in progress as on date and commercial production is expected to commence before the start of peak season. In addition, the Company adopts latest technologies in the industry and keeps a close watch on new developments.

However, import of mink blankets poses a stiff competition to the domestic producers but the demand for the blankets remain huge. Therefore, Indian consumers' demand is met with domestic production as well as imported products.

Material Changes

No material change has occurred since the date of the balance Sheet and the date of this report, which has any adverse effect on the working of the Company.

Cessation

In terms of sub-section (10) of section 149 of the Companies Act, 2013 (effective from 01-04-2014), every listed company shall appoint Independent Directors, who shall hold office for a term up to 5 (five) consecutive years on the Board of a company and subsection (11) of section 149 states that no Independent Director shall be eligible to be appointed for more than 2 (two) consecutive terms of 5 (five) years.

Further, it may be noted that sub-section (5) of section 149 of the Companies Act, 2013, provides for a transitional period of one year (from 01-04-2014) for re-appointment of the Independent Directors, if eligible, for a consecutive period of 5 (five) years (if, it is intended so by the Board) subject to compliance with the eligibility and other prescribed conditions.

The Board has already re-constituted/ broad base the Board, if need be, within the above said transitional period, after a detailed review of the latest regulations governing the appointment of the Independent Directors in the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

The remaining Independent Directors, who do not complete their term at this AGM, will continue to hold office till the expiry of their term, based on the retirement period calculation and thereafter would be re-appointed, if eligible, for a fixed term in accordance with the Companies Act, 2013 and the Regulations made there under.

Key Managerial Personnel

Mr. Jai Kishan Gupta, Managing Director, Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta Whole Time Directors, were nominated as Key Managerial Personnel (KMP) of the Company under the provisions of section 203 of the Companies Act, 2013.

Company Secretary in Practice

Mr. R. S. Bhatia, Company Secretary in Practice, is the consultant Company Secretary of the Company.

Risk Management

Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk. During the year under review, Risk Assessment and Management was carried out covering the entire gamut of business operations and the Board was informed of the same. Some of the identified risks are as follows:

- Human Risk
- Technological Risk
- Physical Risk
- Economic Risk
- Political Risk
- Natural Risk
- Inflation Risk
- Interest Rate Risk

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Internal Controls Systems and Their Adequacy

Your company has a well defined internal control system to support efficient business operations and statutory compliance. External Auditors carry out concurrent audit of all the plants and offices which adds to the stability of the internal control systems. Suitable internal checks have been built in to cover all monetary transactions with proper delineation of authority, which provides for checks and balances at every stage. The company has an Audit Committee of Directors to review financial statements to shareholders. The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement with Stock Exchanges and Section 177 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors from time to time.

Human Resources Development and Employees' Relation

Human Resource development has a dual objective of growth of the employee and the growth of organization. As this provides learning and growth for employees, it also leads to higher levels of employee satisfaction. As such, we have remained focused on strengthening human capital through continuous training and development and by upgrading skills of employees to meet the Company's objectives. The Company has a union free environment and the industrial relations scenario continued to be stable during the year on 31st March, 2014, the total number of employees was 157.

The Company continues to have cordial relations with its employees and no dispute had taken place throughout the year.

Appreciation

Addressing the aspirations, your Directors express their warm appreciation to all the employees at various Units for their diligence and contribution. Your Directors also wish to record their appreciation for the support and co-operation received from the dealers, agents, suppliers and the bankers.

PRAKASH WOOLLEN MILLS LIMITED

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the commitment of an organization to follow ethics, fair practices and transparency in all its dealing with its various stakeholders such as Customers, Employees, Investors, Government and the Society at large. Your company is committed to good Corporate Governance in all its activities and processes.

Company's Philosophy of Corporate Governance

Corporate Governance at M/s Prakash Woollen Mills Ltd. is a value-based framework to manage the Company's affairs in a fair and transparent manner. Your Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance contained in the Listing Agreement.

Board of Directors

The composition of the board is in line with the Listing Agreement. The Board of Directors of the Company consists of 8 Directors, out of which four are Non Executive-Independent Directors and rest are Executive Directors of the Company. The Chairman of the Board is an Executive Director.

Board Meetings and Attendance Status

Nine Board Meetings were held during the financial year 2013-2014. These were held on 30th May 2013, 6th July 2013, 7th August 2013, 26th August 2013, 11th October 2013, 11th November 2013, 11th February 2014, 17th February 2014 and 31st March, 2014. The Company has held at least one Board Meeting in every three months and the maximum time gap between any such two meetings was not more than 120 days. The details of the Board Meetings are as under:

The composition of the Board and category of Directors are as under:

Name of the Director	Category	Designation	No. of Meeting Attended	No. of membership in Boards of other companies	Attendance of each director at last AGM
Mr. Jai Kishan Gupta*	Promoter & Executive Director	Managing Director	Nine	NIL	Yes
Mr. Daya Kishan Gupta**	Promoter & Executive Director	Whole-Time Director	Nine	NIL	Yes
Mr. Vijay Kumar Gupta***	Promoter & Executive Director	CFO & Whole Time Director	Nine	NIL	Yes
Mr. Ved Prakash Gupta****	Promoter & Executive Director	Whole-time Director	Two	Two	No
Mr. Pramod Kumar Agarwal*****	Non-Promoter & Independent Director	Director	Four	NIL	Yes
Mr. Mahendra Kumar Agarwal*	Non-Promoter & Independent Director	Director	Eight	NIL	No
Dr. Satish Kumar Raj*****	Non-Promoter & Independent Director	Director	Six	One	No
Mr. Vijay Anand Rastogi*****	Non-Promoter & Independent Director	Director	Three	One	No
Mr. Naresh Chand Agarwal*****	Non-Promoter & Independent Director	Director	Five	One	Yes

*Mr. Jai Kishan Gupta was appointed as Chairman on 26th August, 2013 and held the position of Chairman up to 31st March, 2014. From 1st April 2014 he is holding a position of Managing Director in the Company.

**Mr. Daya Kishan Gupta, Whole Time Director was appointed as Vice-Chairman on 26th August, 2013 and held the position of Vice-Chairman up to 31st March, 2014. From 1st April 2014 he is holding a position of whole time director in the Company.

***Mr. Vijay Kumar Gupta appointed as Managing Director on 26th August, 2013 and held the position of Managing Director up to 31st March, 2014. From 1st April 2014, he is holding a position of CFO & Whole Time Director in the Company.

*****Mr. Vijay Anand Rastogi was appointed as an additional director of the Company on 11th November, 2013 and Mr. Naresh Chand Agarwal resigned from the Board w.e.f 11th November 2013.

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.

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

PRAKASH WOOLLEN MILLS LIMITED

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 in 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.

Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement, an audit committee comprising of three Independent Directors had been constituted to perform all such powers and functions as were required to be performed under the said provisions.

The Audit Committee met 5 times during the year ended on 30th May 2013, 7th August 2013, 11th November, 2013, 11th February 2014 and 31st March 2014. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms. The constitution of Audit Committee and attendance of each member is as given below:

Name of Member	Designation	No. of Meeting attended
Mr. Vijay Anand Rastogi*	Chairman	One
Dr. Satish Kumar Raj	Member	Three
Mr. Mahender Kumar Agarwal	Member	Four

*Mr. Vijay Anand Rastogi was appointed as Chairman on 11th November, 2013 in place of Mr. Naresh Chand Agarwal.

The Company Secretary acts as Secretary to the Committee.

Mr. N.C. Agarwal, who acted as Chairman of the Audit Committee Meetings was present at the Last Annual General Meeting of the Company held on 5th August, 2013 to answer the shareholders' queries.

Whistle Blower Policy

Pursuant to the provisions of Section 177 (9) of Companies Act 2013, Audit Committee has established vigil mechanism under the Whistle Blower Policy adopted by the Company which provides formal mechanism for all the directors and employees to approach to the management of the Company about the unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct.

Nomination and Remuneration Committee

Terms of Reference

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s)/KMPs
- Reviewing the performance of the Managing / Whole-time Director/KMPs and recommending to the Board, the quantum of annual increments and annual commission.

Composition

The Board of Directors constituted a Nomination and Remuneration Committee comprising three Non-Executive Independent Directors. The Nomination and Remuneration Committee met once during the year i.e. on 31st March, 2014 for reappointment and increases the remuneration of the Managing/Whole Time Directors/KMPs of the company. The Committee and attendance of each member is as given below:

Name of Member	Designation	No. of Meeting attended
Mr. Vijay Anand Rastogi*	Chairman	One
Dr. Satish Kumar Raj	Member	One
Mr. Mahender Kumar Agarwal	Member	One

*Mr. Vijay Anand Rastogi was appointed as Chairman as on 11th November, 2013 in place of Mr. Naresh Chand Agarwal.

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.

Remuneration Policy

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.

Remuneration paid to the Chairman and Managing Director and Whole-Time Directors during 2013-14:

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The details of Remuneration paid to the Executive Directors for the financial year 2013-2014 is given below:

Name	Salary	Commission on profits	Total
Mr. Vijay Kumar Gupta	24,00,000	NIL	24,00,000
Mr. Daya Kishan Gupta	24,00,000	NIL	24,00,000
Mr. Jai Kishan Gupta	24,00,000	NIL	24,00,000
Mr. Ved Prakash Gupta	18,00,000	NIL	18,00,000

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

Sitting fee and commission on net profit to Non-Executive Directors:

Name of the Non-Executive Director	Sitting Fee	Commission	Total
Mr. P.K. Agarwal	16,000	NIL	16,000
Mr. M.K. Agarwal	28,000	NIL	28,000
Mr. Vijay Anand Rastogi	8,000	NIL	8,000
Dr. S.K. Raj	20,000	NIL	20,000
Mr. N.C Agarwal	20,000	NIL	20,000

Equity Shares held by the Directors.

Except as stated hereunder, none of the directors, held any shares in the Company as on March 31, 2014:

Name of the Director	No. of Shares Held	% of Shareholding
Mr. Vijay Kumar Gupta	453709	4.42%
Mr. Daya Kishan Gupta	170910	1.67%
Mr. Jai Kishan Gupta	417960	4.07%
Mr. Ved Prakash Gupta	176393	1.72%
Mr. Pramod Kumar Agarwal	200	N.A
Dr. Satish Kumar Raj	900	N.A

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

Shareholder Grievance Committee

The Shareholder Grievance 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. The Board has delegated the power of approving transfer of securities to the officers of the Company.

Five Committee meetings were held during the year on 30th May 2013, 7th August 2013, 11th November, 2013, 21st January 2014 and 11th February 2014. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	No. of Meeting attended
Mr. Vijay Anand Rastogi*	Chairman	Two
Mr. Vijay Kumar Gupta	Member	Five
Mr. Ved Prakash Gupta	Member	Nil

*Mr. Vijay Anand Rastogi was appointed as Chairman on 11th November, 2013 in place of Mr. Naresh Chand Agarwal.

Compliance Officer

Ms. Mansee Agarwal, Company Secretary is the Compliance Officer w. e. f. July 19th, 2014 and is complying with the requirements of the Listing Agreement with the Stock Exchanges and requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

PRAKASH WOOLLEN MILLS LIMITED

Complaints from Investors

No. of complaints pending at the beginning of the year	Nil
No. of complaints received by correspondence during the year ended 31.03.2014	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 DSE 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 31.03.2014	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
34 th AGM 2012-2013	05.08.2013 11.30 AM Registered Office	<ol style="list-style-type: none"> Increase in salary of Mr. Ashish Gupta son of Mr. Vijay Kumar Gupta, KMP. Increase in salary of Mr. Kapil Gupta son of Mr. Daya Kishan Gupta, KMP. Increase in salary of Mr. Adeep Gupta son of Mr. Jai Kishan Gupta, KMP. Issue of Equity Share and Warrants on Preferential Basis.
33 th AGM 2011-2012	29.09.2012 11.00 AM Registered Office	<ol style="list-style-type: none"> Re-appointment of Mr. Ved Prakash Gupta as WTD after attaining the age of 70 years. Increase in remuneration of Mr. Vijay Kumar Gupta, WTD. Increase in remuneration of Mr. Jai Kishan Gupta, WTD. Increase in remuneration of Mr. Daya Kishan Gupta, WTD. Increase in remuneration of Mr. Ved Prakash Gupta, WTD.
32 nd AGM 2010-2011	29.09.2011 11.00 AM Registered Office	No Special Resolution was passed

Extraordinary General Meeting/Postal Ballot

One Extraordinary General Meeting was held during the year 2013-14 on 11th December, 2013. Special Resolution was passed for reissue of forfeited equity shares.

No Postal Ballot was made during the year 2013-14.

Subsidiaries

The Company has no subsidiary.

Disclosures

There are no materially significant related party transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in Notes to Accounts Section in the Annual Report.

All mandatory requirement as per Clause 49 of the Listing Agreement have been complied with by the Company.

PRAKASH WOOLLEN MILLS LIMITED

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.

Means of Communication

Quarterly/Half yearly report sent to each household of shareholders	NO
Quarterly / Half Yearly/ Yearly results of the Company normally published in	Pioneer, New Delhi (English), Hindustan, Moradabad (Hindi)
Any website where financial results and official news displayed	www.bseindia.com , www.prakashwoollen.com
Whether any advertisement also displayed officials news releases And presentations made to institutions or investors/analysts	No presentation made
Whether management discussions and analysis forms part of Annual Report	Yes
Whether shareholders information section forms part of Annual Report	Yes

General Shareholders' Information

Scheduled AGM's Day, Date, Time & Venue

35th ANNUAL GENERAL MEETING

25thSeptember, 2014 Thursday 11.00 AM

18th KM, Stone, Delhi Moradabad Road, NH-24, Village Amhera,
Distt. J.P. Nagar-2441002

Tentative Financial Year 2014-2015

- Financial reporting for the quarter ending 30th June, 2014: **By 14th August 2014.**
- Financial reporting for the half year ending 30th September 2014: **By 14th November 2014**
- Financial reporting for the quarter ending 31st December, 2013: **By 14th February 2015**
- Financial reporting for the year ending 31st March, 2014: **By 15th May 2015 for UFR or for AFR 30th May, 2015**

Book Closure Period

22ndSeptember 2014 (Monday) to 25th September 2014 (Thursday)

Dividend

Yours Directors consider it prudent not to recommend any dividend for the year 2013-2014 keeping in view the need of resources for the new plant as well as further expansion plans of the Company.

Registered Office

18th KM, Stone, Delhi Moradabad Road, NH-24, Village Amhera,
Distt. J.P. Nagar-2441002 Ph. No.: 0591-2223008/18;
Fax: 0591-2223009 Email id: info@prakashwoollen.com

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

Bombay Stock Exchange (BSE) Delhi Stock Exchange (DSE)
Annual Listing fee for the year 2013-14, has been paid by the
Company to Stock Exchanges.

Registrar & Transfers Agents

Skyline Financial Services Limited, D-153 A, 1st Floor, Okhla, Indl.
Area, Phase-I, New Delhi-110024 Ph. No.: 01126812682/83
Fax: 011-30857562 Email id: admin@skylinerta.com

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 Shares

INE523I01016

Scrip Code

BSE '531437'DSE'8445'

PRAKASH WOOLLEN MILLS LIMITED

Delisting of Company Securities from Delhi Stock Exchange

Your Company has moved delisting application to the Delhi Stock Exchange, which is pending before the review board of the Delhi Stock Exchange.

Stock Market Data

A) Your Company

Months	High	Low
Apr 13	15.90	10.08
May 13	9.58	7.49
Jun 13	9.15	8.24
Jul 13	10.18	9.00
Aug 13	9.68	8.75
Sep 13	9.10	8.32
Oct 13	12.30	8.97
Nov 13	11.04	7.87
Dec 13	16.97	11.58
Jan 14	21.45	17.75
Feb 14	22.30	11.95
Mar 14	17.55	13.00

B) Sensex

Months	High	Low
Apr 13	19,622.68	18,144.22
May 13	20,443.62	19,451.26
Jun 13	19,860.19	18,467.16
Jul 13	20,351.06	19,126.82
Aug 13	19,569.20	17,448.71
Sep 13	20,739.69	18,166.17
Oct 13	21,205.44	19,264.72
Nov 13	21,321.53	20,137.67
Dec 13	21,483.74	20,568.70
Jan 14	21,409.66	20,343.78
Feb 14	21,140.51	19,963.12
Mar 14	22,467.21	20,920.98

PRAKASH WOOLLEN MILLS LIMITED

Shareholding pattern as on 31st March 2014:-

CATEGORY	NO. OF SHARE HELD	% OF SHAREHOLDING
(A) Shareholding of Promoter and Promoter Group		
1 Indian		
(a) Individuals/Hindu Undivided Family	6461520	62.97
(b) Bodies Corporate	0	0
Sub Total (A)(1)	6461520	62.97
2 Foreign	NIL	NIL
Sub Total (A)(2)	NIL	NIL
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	6461520	62.97
(B) Public Shareholding		
1 Institutions		
(a) Mutual Funds/ UTI	13400	0.13
(b) Financial Institutions / Banks	120000	1.17
Sub Total (A)(1)	133400	1.30
2 Non-Institutions		
(a) Bodies Corporate	218709	2.13
(b) Individuals	NIL	NIL
i. Individual shareholders holding nominal share capital up to Rs. 1 Lakh	710047	6.92
Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2528474	24.64
(c) Other		
i. Non Resident Indians	7500	0.07
ii. Hindu Undivided Family	200100	1.95
Sub Total (B)(2)	3664830	35.72
Total Public Shareholding (B)= (B)(1)+(B)(2)	3798230	37.02
TOTAL (A)+ (B)	10259750	100.00
(C) Shares held by Custodians and against which depository Receipts have been issued	NIL	NIL
GRAND TOTAL (A)+(B)+(C)	10259750	100.00

Distribution of Shareholding

Share holding Range	No. of Shareholders	%	Shares	%
UP TO 500	399	45.96	123140	1.20
501 1000	239	27.53	215343	2.11
1001 2000	60	6.96	98298	0.96
2001 3000	38	4.37	92800	0.90
3001 4000	9	1.03	30900	0.33
4001 5000	16	1.84	77600	0.76
5001 10000	19	2.18	172104	1.67
10001 & ABOVE	88	10.13	9449565	92.07
TOTAL	868	100.00	10259750	100.00

PRAKASH WOOLLEN MILLS LIMITED

Dematerialisation of shares and liquidity

82.98 % of the Company's Paid up Equity Shares Capital is in the dematerialized form as on 31st March, 2014. This dematerialized percentage includes 913900 Equity Shares, which are pending for Listing before the BSE.

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

Sales Office:

4, Baba Gangapuri Road,
Opp. Panipat Gas Agency, Panipat-132103

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, 1st Floor, Okhla, Area, Phase-I
Industrial Area, New Delhi-110024
Tel.: 011-26812682-83, Fax: 011-30857562
Email: 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 Mills Limited
18th KM Stone, Delhi-Moradabad Road,
NH-24, Village Amhera, Distt. J. P. Nagar-244102

Compliance Certificate of the Auditors

The Statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors' Report and Management Discussion and Analysis.

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

Reconciliation of Share Capital Audit Report

The Company has appointed M/s R S Bhatia, Practicing Company Secretary, to conduct Reconciliation of Share Capital audit of the Company for the financial year ended 31st March 2014, who has submitted his quarterly reports confirming that there is no discrepancy.

Details of Directors seeking appointment/re-appointment in the Annual General Meeting.

Name of Director	Vijay Kumar Gupta	Jai Kishan Gupta	Daya Kishan Gupta	Mr. Ved Prakash Gupta
Date of Birth	07-08-1953	08-07-1947	06-06-1949	20-01-1942
Qualifications	Graduate	Graduate	Graduate	Graduate
Specialised Expertise	He has very rich experience in various fields. He has been responsible for liaison and fiancé of the company and thus helps build a strong base and backbone of the company.	He has gained rich experience in textile industry and is incharge of production of the company	Using his extensive and in-depth experience in field of marketing, he looks after the marketing of the company helping it grow and reach the maximum number of satisfied customers across the country.	The company under his able guidance, in the last 33 years, has grown tremendously and has been able to maintain a steady and sustainable growth rate .
No. of shares held in Company as at March 31, 2014.	453709	417960	170910	176393
Directorships in other Companies	Listed Companies Prakash Woollen Mills Limited	Listed Companies Prakash Woollen Mills Limited	Listed Companies Prakash Woollen Mills Limited	Listed Companies Prakash Woollen Mills Limited Other Companies SG Graphics Pvt. Ltd.
Committee Positions	Member 1. Finance Committee. 2. Investor Grievance Committee	Member 1. Finance Committee.	Member 1. Finance Committee.	Member 1. Investor Grievance Committee

PRAKASH WOOLLEN MILLS LIMITED

Details of Directors seeking appointment/re-appointment in the Annual General Meeting (pursuant to clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement)

Name of Director	Vijay Anand Rastogi	Mr. P.K. Agarwal	Dr. S.K. Raj	Mr. M.K Agarwal
Date of Birth	12-01-1935	26-08-1949	21-09-1945	15-07-1940
Qualifications	Graduate	M.A., L.L.M	MBBS	M.A., L.L.B
Specialised Expertise	He is a practicing advocate.	He is retired manager of Life Insurance Corporation. He is having an experience of around 40-45 years.	He is a Physician and have a vast experience in this field.	He is in business and is also having a printing press of himself. He is having an experience of around 45-50 years.
No. of shares held in Company as at March 31, 2014.	-	200	900	-
Directorships in other Companies	Listed Companies Prakash Woollen Mills Limited Other Companies Cross Wheels Auto Pvt. Ltd.	Listed Companies Prakash Woollen Mills Limited	Listed Companies Prakash Woollen Mills Limited Other Companies Moradabad Club Pvt. Ltd.	Listed Companies Prakash Woollen Mills Limited
Committee Positions	Member 1. Nomination and Remuneration Committee 2. Audit Committee 3. Investor Grievance Committee.	NIL	Member 1. Nomination and Remuneration Committee 2. Audit Committee	Member 1. Nomination and Remuneration Committee 2. Audit Committee

Place: Village Amhera (J. P. Nagar)
Date: 12th August, 2014

Sd/-
(Jai Kishan Gupta)
Managing Director
DIN: 00337659

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

CEO and CFO 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 Clause 49 of the Listing Agreement. The Chief Financial Officer also gives quarterly certification on financial results before the Board in terms of Clause 41 of the Listing Agreement. 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/Management Personnel for the financial Year 2013-2014.

Date : 12th August, 2014
Place : Village Amreha (J.P. Nagar)

By Order of the Board of Directors
For Prakash Woollen Mills Limited

(Vijay Kumar Gupta)
Whole Time Director & CFO
DIN No. : 00335325

PRAKASH WOOLLEN MILLS LIMITED

DECLARATION OF THE CHIEF FINANCIAL OFFICER/CHIEF EXECUTIVE OFFICER OF THE COMPANY

I, Vijay Kumar Gupta, CFO & Whole Time Director of Prakash Woollen Mills Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statements and the directors' report;
2. Based on my knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on my knowledge and information, 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;
4. To the best of my knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct;
5. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Further I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or proposed to be taken to rectify these deficiencies;
6. I have indicated to the Company's Auditors and the Audit committee significant changes in internal control over financial reporting during the year and significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Place: Village Amhera (J. P. Nagar)

Date: 12th August 2014

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

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of
Prakash Woollen Mills Limited,
Vill. Amhera, Distt. Amroha

We have examined the compliance of conditions of Corporate Governance by Prakash Woollen Mills Limited (the Company) for the year ended on 31st March, 2014, 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.

Place : Village. Amhera (Amroha)

Date : 30.05.2014

For Agarwal Pawan Kumar & Co.
Chartered Accountants

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

PRAKASH WOOLLEN MILLS LIMITED

AUDITORS' REPORT

To,
The Members of
Prakash Woollen Mills Limited,
Vill. Amhera, Distt. Amroha

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Prakash Woollen Mills Ltd. (the company), which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) order, 2003 (the order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of the written representation received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

For Agarwal Pawan Kumar & Co.
Chartered Accountants

Place : Village. Amhera (Amroha)
Date : 30.05.2014

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

PRAKASH WOOLLEN MILLS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under heading of "Report on other legal and regulatory requirements" of our report of even date

- (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. Number of parties is sixteen and amount involved is Rs.437.70 lacs. Balances outstanding on Balance Sheet date were NIL.
- (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. However all deposits have been repaid during the year.
- (7) In our opinion, the company has an internal audit system com-mensurate 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. 26.69 lacs. The management of the company has contested the demand of EPFO. The case is pending before Hon'ble EPFAT, New Delhi.

PRAKASH WOOLLEN MILLS LIMITED

- (10) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and 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 made preferential allotment of 4069950 shares to parties and companies covered in the Register maintained under section 301 of the Act. during the year in accordance with SEBI ICDR 2009.
- (19) No debentures were issued.
- (20) No money was raised by public issues during the year. However preferential issue of shares/warrants and reissue of forfeited shares was made during the year. End use of these issues is given in note 32.
- (21) No fraud on or by the company has been noticed or reported during the year.

For Agarwal Pawan Kumar & Co.
Chartered Accountants

Place : Village. Amhera (Amroha)
Date : 30.05.2014

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

PRAKASH WOOLLEN MILLS LIMITED

BALANCE SHEET AS ON 31ST MARCH 2014

	Notes	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	1	1025.98	417.59
Reserves and Surplus	2	1688.86	1404.64
		<u>2714.84</u>	<u>1822.23</u>
Non-Current Liabilities			
Long – term borrowings	3	213.59	602.39
Deferred tax liabilities (Net)	4	247.50	248.09
Other long term liabilities	5	71.97	46.87
		<u>533.06</u>	<u>897.35</u>
Current Liabilities			
Short term borrowings	6	1529.46	1438.31
Trade payables		419.34	573.77
Other current liabilities	7	151.42	181.84
		<u>2100.22</u>	<u>2193.92</u>
Total		<u>5348.12</u>	<u>4913.50</u>
Assets			
Non-Current Assets			
Fixed Assets			
Tangible assets	8	2499.04	2274.56
Capital work in progress		123.49	---
Long term loans and advances	9	14.72	15.72
Other non current assets	10	4.43	3.23
		<u>2641.68</u>	<u>2293.51</u>
Current assets			
Inventories	11	2001.26	1877.15
Trade receivables	10	569.30	639.96
Cash and cash equivalents	12	27.39	34.41
Short term loans and advances	9	108.49	68.47
		<u>2706.44</u>	<u>2619.99</u>
Total		<u>5348.12</u>	<u>4913.50</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 Agarwal Pawan Kumar & Co.
Chartered Accountants

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

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

V. K. GUPTA
CFO & Whole time director
DIN -00335325

J. K. GUPTA
Managing director
DIN-00337659

Place : Village. Amhera (Amroha)
Date : 30 May 2014

Arpit Suri
Company secretary

PRAKASH WOOLLEN MILLS LIMITED

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

	Notes	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Income			
Revenue from operations	13	8118.21	6425.61
Other Income	14	8.23	5.99
Total Revenue		8126.44	6431.60
Expenses			
Cost of materials consumed	15	5997.44	4596.60
Purchase of stock in trade		89.98	46.37
Changes in inventories of finished goods, work in progress and stock in trade	16	(210.30)	(230.54)
Employee benefit expense	17	255.02	245.26
Finance costs	18	197.57	259.02
Depreciation and amortization expense	19	249.49	227.10
Other expenses	20	1222.42	1003.07
Total Expenses		7801.62	6146.88
Profit before exceptional and extraordinary item and tax		324.82	284.72
Exceptional items		---	---
Profit before extraordinary items and tax		324.82	284.72
Extraordinary items		---	---
Profit before tax		324.82	284.72
Tax expense			
Current Tax		(102.04)	(77.30)
Deferred Tax		0.59	(12.81)
Profit (Loss) for the year from continuing operation		223.37	194.61
Profit / (Loss) for the year		223.37	194.61
Earnings per equity share:			
Basic		₹ 3.11	₹ 4.66
Diluted		₹ 3.11	₹ 4.66

Summary of significant accounting policies 34

The accompanying notes are integral part of the financial statements

As per our report of even date
For Agarwal Pawan Kumar & Co.
Chartered Accountants

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

(Pawan Kumar)
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Membership No. 86706

V. K. GUPTA
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J. K. GUPTA
Managing director
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Place : Village. Amhera (Amroha)
Date : 30 May 2014

Arpit Suri
Company secretary

PRAKASH WOOLLEN MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Cash flow from operating activities		
Net profit before tax and extraordinary items	324.82	284.72
Adjustment for		
Depreciation	249.49	227.10
Loss on sale of fixed assets	0.76	9.43
Interest/dividend	183.22	242.76
Operating profit before working capital Changes	758.29	764.01
Adjustment for movements in working capital		
Increase/(decrease) in trade payables	(159.17)	120.26
Increase/(decrease) in other current liabilities	2.75	(3.43)
Increase/(decrease) in other long term liabilities	25.10	8.38
Increase/(decrease) in trade receivables	70.66	102.58
Increase/(decrease) in inventory	(124.11)	(209.34)
Increase/(decrease) in long term loans and advances	1.00	0.39
Increase/(decrease) in short term loans and advances	(40.02)	7.86
Increase/(decrease) in other non current assets	(1.19)	(1.25)
Cash generated from operations	533.31	789.46
Interest paid	(193.53)	(250.85)
Direct taxes paid	(97.29)	(78.68)
Cash flow before extraordinary items	242.49	459.93
Extraordinary Items	-	-
Net cash from operation activities	242.49	459.93
Cash flow from investing activities		
Purchase of fixed assets	(602.62)	(461.30)
Sale of fixed assets	4.40	12.24
Interest received	5.23	5.63
Net Cash used in investing activities	(592.99)	(443.43)
Cash flow from financing activities		
Proceeds from issue of share capital	669.22	-
Proceeds from long term borrowing	255.40	185.47
Repayment of long term borrowing	(672.29)	(315.54)
Proceeds for short term borrowing	91.15	90.67
Net Cash used in financial activities	343.48	(39.40)
Net increase in cash and cash equivalents	(7.02)	(22.90)
Cash and cash equivalents as at the beginning of the year	34.41	57.31
Cash and cash equivalents as at the end of the year	27.39	34.41

Summary of significant accounting policies 34

The accompanying notes are integral part of the financial statements

As per our report of even date
For Agarwal Pawan Kumar & Co.
Chartered Accountants

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

Place : Village. Amhera (Amroha)
Date : 30 May 2014

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

V. K. GUPTA
CFO & Whole time director
DIN -00335325

J. K. GUPTA
Managing director
DIN-00337659

Arpit Suri
Company secretary

PRAKASH WOOLLEN MILLS LIMITED

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
1. Share Capital		
Authorised Shares		
1,20,00,000 equity shares of Rs. 10/- each	1200.00	1200.00
Issued, subscribed and paidup shares		
1,02,59,750 equity shares (4175900 in previous year) of Rs. 10/- each	1025.98	417.59
Total issued, subscribed and fully paid up share capital	1025.98	417.59

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

	31 March 2014		31 March 2013	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
At the beginning of the period	41.759	417.59	41.759	417.59
Issued during the period-Preferential Issue	36.700	367.00	-	-
Issued during the period-Conversion of warrants	15.000	150.00	-	-
Forfeited shares reissued during the year	9.139	91.39	-	-
Outstanding at the end of the period	102.598	1025.98	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 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.

During the year ended 31 March 2014, 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 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

	31 March 2014 No. in lacs	31 March 2013 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 2014		31 March 2013	
	Nos.	% holding in the class	Nos.	% holding in the class
Mr. Vijay Kumar Gupta	453709	4.42%	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. These shares have been reissued to during the year.

PRAKASH WOOLLEN MILLS LIMITED

2. Reserves and surplus	31 March 2014	31 March 2013
	₹ in lacs	₹ in lacs
Share forfeited		
Balance as per last financial statements	142.16	142.16
Less : transferred to share premium	142.16	-
Closing balance	-	142.16
Share premium		
Balance as per last financial statements	285.18	285.18
Add :- transferred from share forfeited	142.16	-
Add :- premium on issue of shares	60.85	-
Closing balance	488.19	285.18
Revaluation reserve		
Balance as per last financial statements	132.69	132.69
Closing balance	132.69	132.69
Capital subsidy		
Balance as per last financial statements	10.00	10.00
Closing balance	10.00	10.00
Investment allowance reserve		
Balance as per last financial statements	0.17	0.17
Closing balance	0.17	0.17
General reserve		
Balance as per last financial statements	4.00	4.00
Closing balance	4.00	4.00
Surplus in the statement of profit and loss		
Balance as per last financial statements	830.44	635.83
Profit for the year	223.37	194.61
Net surplus in the statement of profit and loss	1053.81	830.44
Total reserves and surplus	1688.86	1404.64

3. Long term borrowings	Non Current Portion		Current Maturities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
Term Loans				
State Bank of India TL IV (Secured)	-	207.05	-	66.00
State Bank of India TL III (Secured)	-	82.52	83.98	84.00
State Bank of India TL V (Secured)	173.40	-	42.00	-
State Bank of India Car Loan (Secured)	40.19	8.10	8.60	11.54
H D F C Bank Car Loan (Secured)	-	2.02	2.02	3.15
Deposits (Unsecured)				
Deposits from shareholders	-	282.52	-	-
Deposits from others	-	20.18	-	-
	213.59	602.39	136.60	164.69
The above amount includes				
Secured borrowings	213.59	299.69	136.60	164.69
Unsecured borrowings	-	302.70	-	-
Amount disclosed under the head other current liabilities			(136.60)	(164.69)
Net amount	213.59	602.39	-	-

(a) TL IV

Term loan from State Bank of India had been sanctioned for an amount of Rs. 3.45 crores out of which Rs. 285.05 lacs were disbursed. The loan carried interest @ 13.6% p.a. The loan was 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 last instalment of Rs. 6 lacs ending in the month of October 2017. The loan was secured primarily by first charge on assets created out of this term loan. However the loan was prematurely prepaid in full during the year.

(b) TL III

The term loan from State Bank of India was converted into FCNRB and carries interest @ 5.1809% 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.

PRAKASH WOOLLEN MILLS LIMITED

(c) TL V

The term loan from State Bank of India has been sanctioned for Rs. 11 crores carrying interest @ 13.95% p.a. The loan has been disbursed to the tune of Rs. 173.40 lacs during the year and is under disbursement. The loan is repayable in 15 instalment of Rs. 14 lacs each, 59 instalment of Rs. 15 lacs each and last instalment of Rs. 5 lacs starting from January 2015. The loan is secured primarily by first charge created under the Term Loan and equitable mortgage of factory land and building at Khasra no. 43(M) Village Amhera, Delhi Road, Amroha measuring 3130 Sq. meter.

(d) Car loan

The loans from State Bank of India carry interest @ 10.75% p.a. and are secured by hypothecation of cars. The loans are repayable in 36 to 84 monthly instalments.

All the loans from State Bank of India are further secured by 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. J.K. Gupta, Mr. D.K. Gupta and Mr. V.K. Gupta.

(e) 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.

(f) Deposits from shareholders carried interest @ 12.% p.a.

4. Deferred tax liability

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Fixed assets : impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting.	247.50	248.08
	<u>247.50</u>	<u>248.08</u>

5. Other long term liabilities

Balances of agents	71.97	46.87
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6. Short term borrowings

Cash credit from State Bank of India (Secured)	1529.46	1438.31
	<u>1529.46</u>	<u>1438.31</u>
	1529.46	1438.31

The above amount includes secured borrowings

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. J.K. Gupta, Mr. D.K. Gupta and Mr. V.K. Gupta have been given. The loan carries interest @ 13.95% p.a.

7. Other current liabilities

Current maturities of long term borrowings	136.60	164.69
Interest accrued but not due on borrowing	2.58	7.66
Others		
TDS payable	11.32	9.49
Service tax payable	0.43	-
Commercial tax payable	0.49	-
	<u>151.42</u>	<u>181.84</u>

8. Tangible assets

	Land	Building	Plant and equipment	Furniture & fixture	Vehicle	Office equipments	Total ₹ in lacs
Cost or valuation							
At 1 Apr.'2012	92.22	841.87	2351.84	25.09	157.10	19.96	3488.08
Additions	58.40	88.87	341.91	1.42	26.27	2.68	519.55
Disposals	—	—	37.51	—	46.39	—	83.90
At 31 Mar.'2013	150.62	930.74	2656.24	26.51	136.98	22.64	3923.23
Additions	25.66	25.86	378.27	0.70	48.64	—	479.13
Disposals	—	—	14.14	—	7.00	—	21.14
At 31 Mar.'2014	176.28	956.60	3020.37	27.21	178.62	22.64	4381.72
Depreciation							
At 1 Apr. 2012	—	271.25	1134.14	14.26	52.73	11.92	1484.30
Charges for the year	—	29.13	182.74	1.66	12.79	0.78	227.10
Disposals	—	—	28.69	—	33.54	—	62.23
At 31 Mar.'2013	—	300.38	1288.19	15.92	31.98	12.70	1649.17
Charges for the year	—	31.53	202.58	1.70	12.72	0.96	249.49
Disposals	—	—	9.38	—	6.60	—	15.98
At 31 Mar.'2014	—	331.91	1481.39	17.62	38.10	13.66	1882.68
Net Block							
At 31 Mar.'2013	150.62	630.36	1368.05	10.59	105.00	9.94	2274.56
At 31 Mar.'2014	176.28	624.69	1538.98	9.59	140.52	8.98	2499.04

PRAKASH WOOLLEN MILLS LIMITED

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 2014 ₹ in lacs	31 March 2013 ₹ in lacs	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Capital Advances				
Secured considered good	-	-	-	-
Unsecured considered good	-	1.00	64.71	-
(A)	-	1.00	64.71	-
Security Deposit				
Secured considered good	-	-	-	-
Unsecured considered good	14.72	14.72	-	-
(B)	14.72	14.72	-	-
Loan and Advance to related parties				
Unsecured considered good	-	-	-	-
(C)	-	-	-	-
Advance recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	19.27	39.69
(D)	-	-	19.27	39.69
Other Loans and Advances				
Advance income tax (Net of provision)	-	-	-	-
Loans to employees	-	-	11.59	10.75
Cenvat Credit Receivable	-	-	-	12.92
TUFS Subsidy Receivable	-	-	12.92	5.11
Commercial Tax	-	-	-	-
(E)	-	-	24.51	28.78
Total (A+B+C+D+E)	14.72	15.72	108.49	68.47
10. Trade receivables and other assets				
(a) Trade receivables				
Unsecured considered good unless Stated otherwise outstanding for a period exceeding six months from the date they are due for payment.				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	71.88	88.34
Doubtful	-	-	-	-
(A)	-	-	71.88	88.34
Other receivables				
Secured, Considered good	-	-	-	-
Unsecured, considered good	-	-	497.42	551.62
Doubtful	-	-	-	-
(B)	-	-	497.42	551.62
Total (A+B)	-	-	569.30	639.96
Trade receivables include				
Due from partnership firm				
Designs Unlimited	-	-	-	-
(b) Other assets				
Defined benefit plan (gratuity)	4.43	3.23	-	-
	4.43	3.23	-	-

PRAKASH WOOLLEN MILLS LIMITED

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs	
11. Inventories (Valued at lower of cost and net realisable value)			
Raw material and components	300.21	398.58	
Work in progress	324.05	481.94	
Finished goods	1347.01	981.00	
Traded goods	6.67	4.49	
Stores and spares	23.32	11.14	
	<u>2001.26</u>	<u>1877.15</u>	
12. Cash and bank balances			
Cash and cash equivalents balance with bank			
On current accounts	6.77	14.31	
On deposit account	-	-	
Cash in hand	20.62	20.10	
	<u>27.39</u>	<u>34.41</u>	
13. Revenue from operations			
Finished goods	7967.55	6662.19	
Traded goods	107.53	48.45	
Waste	43.13	41.26	
Revenue from operations (Gross)	8118.21	6751.90	
Less : excise duty	-	326.29	
Revenue from operations (Net)	<u>8118.21</u>	<u>6425.61</u>	
14. Other income			
Interest received	5.23	5.63	
Rent received	3.00	0.36	
	<u>8.23</u>	<u>5.99</u>	
15. Cost of raw material and component consumed			
Inventory at the beginning of the year	398.58	417.62	
Add.: Purchases	5899.07	4577.56	
	6297.65	4995.18	
Less : Inventory at the end of the year	300.21	398.58	
Cost of raw material and components consumed	<u>5997.44</u>	<u>4596.60</u>	
Details of raw material and components consumed			
Yarn	4118.01	3192.88	
Knitted Cloth / Polyphill	8.68	15.45	
Dyes and chemicals	416.86	318.73	
Packing materials	1453.89	1069.54	
	<u>5997.44</u>	<u>4596.60</u>	
Details of inventory / raw material and components			
Yarn	110.95	178.32	
Dyes and chemicals	44.93	68.94	
Packing materials	144.33	142.64	
Knitted Cloth	-	8.68	
	<u>300.21</u>	<u>398.58</u>	
16. (Increase) / decrease in inventories			
	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs	Increase / Decrease ₹ in lacs
Inventories at the end of the year			
Traded goods	6.67	4.49	2.18
Work in progress	324.05	481.94	(157.89)
Finished goods	1347.01	981.00	366.01
	<u>1677.73</u>	<u>1467.43</u>	<u>210.30</u>
Inventories at the beginning			
Traded goods	4.49	1.35	3.14
Work in progress	481.94	487.97	(6.03)
Finished goods	981.00	747.57	233.43
	<u>1467.43</u>	<u>1236.89</u>	<u>230.54</u>

PRAKASH WOOLLEN MILLS LIMITED

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Details of Purchase of traded goods		
Blankets	89.98	46.37
	<u>89.98</u>	<u>46.37</u>
17. Employee benefits expense		
Salary and wages	201.63	190.67
Bonus	36.55	34.20
Provident fund	11.17	10.22
Gratuity expenses	5.22	9.55
Medical exp.	0.45	0.46
Leave with wages	-	-
Labour and Staff Welfare	-	0.16
	<u>255.02</u>	<u>245.26</u>
18. Finance Costs		
Bank interest	131.03	145.43
Interest others	24.44	42.18
Exchange difference to the extent considered as an adjustment to borrowing cost	32.98	60.78
Bank charges	9.12	10.63
	<u>197.57</u>	<u>259.02</u>
19. Depreciation and amortization expense		
Depreciation on tangible assets	249.49	227.10
Less- Recoupment from revaluation reserve	-	-
	<u>249.49</u>	<u>227.10</u>
20. Other expenses		
Power and fuel	550.87	409.52
Rates and taxes	73.10	47.70
Freight and forwarding charges	97.70	98.71
Rent	27.70	20.39
Insurance	15.25	13.98
Repair and Maintenance		
Plant and Machinery	95.80	79.86
Others (General)	9.19	7.65
Advertising and sales promotion	48.99	55.96
Commission and discount	155.14	135.26
Travelling and conveyance	20.51	21.96
Communication cost	7.71	6.36
Printing and stationery	4.36	4.11
Legal and professional fees	13.82	10.58
Directors sitting fees	0.92	0.48
Payment to auditors	0.50	0.50
Directors remuneration	90.00	70.50
Miscellaneous expenses	10.10	10.12
Loss on sale of fixed assets	0.76	9.43
	<u>1222.42</u>	<u>1003.07</u>
Payment to auditors		
As auditors		
Audit fee	0.50	0.50
In others capacity	-	-
	<u>0.50</u>	<u>0.50</u>
21. Related party disclosures		
Related parties where control exists		
Pralhad Industries, Designs Unlimited, Shree Bankey Bihari Enterprises.		

PRAKASH WOOLLEN MILLS LIMITED

Directors and key management personal

Mr V.P. Gupta, Mr J.K. Gupta, Mr D.K. Gupta, Mr V.K. Gupta, Mr S.K. Agarwal, Mr Adeep Gupta, Mr Kapil Gupta and Mr 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	Sale Service (Rent)	Purchase of Services(Rent)	Purchase of traded Goods	Amount owed by related parties	Amount owed to related parties
Designs Unlimited	31.3.2014	—	3.00	—	—	—	—
	31.3.2013	11.94	—	—	0.81	—	—
Shree Bankey Bihari	31.3.2014	13.26	—	—	39.80	—	—
Enterprises	31.3.2013	3.97	0.36	—	21.68	—	10.00
Prahlad Industries	31.3.2014	—	—	24.00	—	—	—
	31.3.2013	—	—	18.00	—	—	—

(b) Deposits/ loan taken and repayments thereof

	Year ended	Deposited / loan taken	Repayments	Interest paid	Amount owed by related parties
Prahlad Industries	31.3.2014	—	—	—	—
	31.3.2013	10.00	17.13	0.59	—
Designs Unlimited	31.3.2014	120.00	127.50	7.50	—
	31.3.2013	—	—	—	—
Deposits from directors and relatives	31.3.2014	15.00	332.62	14.92	—
	31.3.2013	45.60	91.56	36.62	302.70

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

(c) Remuneration to directors and key managerial personnel.

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Mr. V.P. Gupta	24.00	18.90
Mr. J.K. Gupta	24.00	18.90
Mr. D.K. Gupta	24.00	18.90
Mr. V.K. Gupta	18.00	13.80
Mr. S.K. Agarwal	11.28	9.78
Mr. Adeep Gupta	11.28	9.78
Mr. Kapil Gupta	11.28	9.78
Mr. Ashish Gupta	11.28	9.78
	<u>135.12</u>	<u>109.62</u>

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 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Raw material	—	—
Components and spare parts	152.50	100.60
Capital goods	202.71	58.69
	<u>355.21</u>	<u>159.29</u>

23. Expenditure in foreign currency

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Travelling and conveyance	10.51	8.07
	<u>10.51</u>	<u>8.07</u>

PRAKASH WOOLLEN MILLS LIMITED

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

	Value ₹ in lacs 31 March 2014	% of Total Consumption 31 March 2014	Value ₹ in lacs 31 March 2013	% of Total Consumption 31 March 2013
Raw Material				
Imported	-	-	-	-
Indigenously obtained	4118.01	100.00	3192.88	100.00
	4118.01	100.00	3192.88	100.00
Components				
Imported	214.04	11.39	163.09	11.62
Indigenously obtained	1665.39	88.61	1240.63	88.38
	1879.43	100.00	1403.72	100.00
Spare parts				
Imported	8.22	9.62	1.69	2.29
Indigenously obtained	77.24	90.38	72.25	97.71
	85.46	100.00	73.94	100.00

25. Net dividend remitted in foreign exchange

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Net dividend remitted in foreign exchange	Nil	Nil

26. Earnings in foreign currency (accrual basis)

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Earnings in foreign currency (accrual basis)	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 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Current service cost	5.95	6.00
Interest cost on benefit obligation	4.35	3.38
Expected return on plan assets	(5.32)	(4.48)
Net actuarial (gain)/loss recognized in the year	(0.38)	4.07
Total	4.60	8.97
LC Premium	0.62	0.58
Net Benefit Expense	5.22	9.55
Actual return on plan assets	5.32	4.48

Balance Sheet

Benefit Assets / liabilities

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Present value of defined benefit obligation	(63.43)	(54.40)
Fair value of plan assets	67.86	57.63
Plan assets (liability)	4.43	3.23

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

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Opening defined benefit obligation	54.40	42.20
Less : past service cost not recognized	—	—
Current service cost	5.95	6.00
Interest cost	4.35	3.38
Benefits paid	(0.89)	(1.25)
Actuarial (gain)/losses on obligation	(0.38)	4.07
Closing defined benefit obligation	63.43	54.40

PRAKASH WOOLLEN MILLS LIMITED

Changes in the fair value of plan assets are as follows

Benefit Assets / liabilities	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Opeining balance of plan assets	57.63	44.18
Expected return on plan assets	5.32	4.48
Contribution	5.80	10.22
Benefits paid	(0.89)	(1.25)
Actuarial gain /(loss on plan assets (balancing))	—	—
Closing Balance of plan assets	67.86	57.63
Total actuaial gain (loss) recognised	(0.38)	(4.07)

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

	31 March 2014	31 March 2013
Investments with insurer	100%	100%

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

	31 March 2014	31 March 2013
Discount Rate	8%	8%
Expected rate of return on assets	9%	9%

28. Contingent liabilities

	31 March 2014 ₹ in lacs	31 March 2013 ₹ in lacs
Demand by EPFO against the company not acknowledged as debt	26.69	26.69
Lc opened with bank	-	42.26

EPFO Bareilly has demanded Rs, 26.69 lacs 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.

29. Balances of trade receivables, trade payables are subject to confirmation as on 31.3.14

30. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Derelopment 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. The company carries on the business of textiles under which blankets of different qualities and size are producid. 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.

32. The utilization of proceeds of preferential issue and reissue of forfeeted shares is as followses :-

Particulars	Amount in Rs. (Lacs)
A. Proceeds from preferential issue	
(i) Equity Shares	403.69
(ii) Warants converted into equity shares	165.00
B. Proceeds from reissue of forfeited Shares	100.53
	669.22
C. Utilisation :For working capital	669.22

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 aer listed on two stock exchanges in India namely BSE and DSE. 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.

PRAKASH WOOLLEN MILLS LIMITED

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.

As per our report of even date
For Agarwal Pawan Kumar & Co.
Chartered Accountants

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

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

V. K. GUPTA
CFO & Whole time director
DIN -00335325

J. K. GUPTA
Managing director
DIN-00337659

Place : Village. Amhera (Amroha)
Date : 30 May 2014

Arpit Suri
Company secretary

PRAKASH WOOLLEN MILLS LIMITED

Regd. Office: 18th Km Stone Delhi Moradabad Road,
NH-24, Village Amreha, Distt. J.P Nagar-244102
Tel: 0591-2223008/18 Fax:0591-2223009
www.prakashwoollen.com ; info@prakashwoollen.com
CIN: L17113UP1979PLC004804

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]

35th Annual General Meeting – September 25th 2014

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 35 Annual General Meeting of the Company to be held on **Thursday, September 25th 2014 at 11.00 A.M.** at 18th Km Stone Delhi Moradabad Road, NH-24, Village Amreha, Distt. J.P Nagar-244102 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions Ordinary Business	Optional*	
		For	Against
1.	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 21, 2014		
2.	Appoint a Director in place of Mr. Vijay Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment		
3.	Appointment of Messrs A. Anand & Co. in place of Messrs. Agarwal Pawan Kumar & Co.		
	Special Business		
4.	Approval of Remuneration of the Cost Auditors for the financial year ending 31 st March 2015.		
5.	Approval of Section 180 (1) (c)		
6.	Approval of Section 180 (1) (a)		
7.	Appointment of Mr.Vijay Anand Rastogi as Director		
8.	Appointment of Mr. Pramod Kumar Agarwal as Independent Director		
9.	Appointment of Mr. Mahendra Kumar Agarwal as Independent Director		
10.	Appointment of Mr. Satish Kumar Raj as Independent Director		

PRAKASH WOOLLEN MILLS LIMITED

Resolution No.	Resolutions Ordinary Business	Optional*	
		For	Against
11.	Re- Appointment of Mr. Vijay Kumar Gupta as CFO & Whole time Director and fixation of his remuneration for a period of five years w.e.f. 1 st April 2014.		
12.	Re- Appointment of Mr. Jai Kishan Gupta as Managing Director and fixation of his remuneration for a period of five years w.e.f. 1 st April 2014.		
13.	Re- Appointment of Mr. Daya Kishan Gupta as Whole time Director and fixation of his remuneration for a period of five years w.e.f. 1 st April 2014.		
14.	Re- Appointment of Mr. Ved Prakash Gupta as Whole time Director and fixation of his remuneration for a period of five years w.e.f. 1 st April 2014.		
15.	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		

Signed this day of 2014.

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 35th 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.

PRAKASH WOOLLEN MILLS LIMITED

Regd. Office: 18th Km Stone Delhi Moradabad Road,
NH-24, Village Amreha, Distt. J.P Nagar-244102
Tel: 0591-2223008/18 Fax:0591-2223009
www.prakashwoollen.com ; info@prakashwoollen.com
CIN: L17113UP1979PLC004804

Folio No./ DP ID / Client ID

Number of shares held

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 35th Annual General Meeting of the Company at the 18th Km Stone Delhi Moradabad Road, NH-24, Village Amreha, Distt. J.P Nagar-244102 on Thursday, September 25th, 2014 at 11.00 A.M.

Name of the Member / Proxy
(in BLOCK letters)

Signature of the Member / Proxy

Note:

1. Please complete the Folio/DPID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.
2. Electronic copy of the Annual Report for the financial period ended on 31.03.2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial period ended on 31.03.2014 and Notice of Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

BOOK POST

If Undelivered please return to :

PRAKASH WOOLLEN MILLS LIMITED

Regd. Office: 18th Km Stone Delhi Moradabad Road,
NH-24, Village Amreha,
Distt. J.P Nagar-244102